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West Europe Report

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WEST EUROPE REPORT

CONTENTS

POLITICAL

DENMARK

Briefs
Communist Youth Elect Chairman 1

FEDERAL REPUBLIC OF GERMANY

Membership Declines in CDU, Rises in SPD
(DER SPIEGEL, 31 Mar 86) 2

FINLAND

Paper Views Impact of Declining Center Party Membership
(Jan-Magnus Jansson; HUFVUDSTADSBLADET, 4 Mar 86) 7

FRANCE

PCF Central Committee Discusses Election Results
(Martine Bulard; L'HUMANITE, 27 Mar 86) 10

Marchais on Election Results at Central Committee Meeting
(Georges Marchais; L'HUMANITE, 27 Mar 86) 13

NETHERLANDS

Analyses, Comments on March Community Elections
(NRC HANDELSBLAD, 20 Mar 86) 23

Commentator on Campaign, by J. M. Bik 23
Editorial on Results 24

SPAIN

PCE's Curiel Assesses Referendum Outcome
(Enrique Curiel Interview; TIEMPO, 24 Mar 86) 27

MILITARY

AUSTRIA

Frischenschlager Defends Purchase, Employment of Drakens
(Otmar Lahodynsky; PROFIL, 17 Mar 86) 33

FEDERAL REPUBLIC OF GERMANY

Critical Study of Civil Defense Effort Reviewed
(Wilfried von Bredow; DAS PARLAMENT, 22 Mar 86) 39

Jenninger Sees Enlistment of Women in Services as Feasible
(TAGESSPIEGEL, 19 Dec 85) 41

First Wartime Host Nation Command Organized
(FRANKFURTER ALLGEMEINE, 15 Jan 86) 42

Woerner Expects Greater Number of Extended Term Volunteers
(SUEDDEUTSCHE ZEITUNG, 20 Dec 85) 44

Navy Trains Elite Underwater Demolition, Seal Combat Units
(Kurt Kister; SUEDDEUTSCHE ZEITUNG, 4 Jan 86) 46

NETHERLANDS

Readiness, Capability of 1st Netherlands Corps Assessed
(Siegfried Thielbeer; FRANKFURTER ALLGEMEINE, 31 Dec 85) 51

NORWAY

Air Force Shortage of Pilots, Commanders Examined
(Nina Sandas; HUFVUDSTADSBLADET, 1 Mar 86) 54

Few Barriers Remain for Women in Defense Forces
(HUFVUDSTADSBLADET, 2 Mar 86) 57

ECONOMIC

AUSTRIA

Development of Trade With Eastern Europe Viewed
(DIE PRESSE, 8/9 Mar 86) 60

ITALY

Minister of Industry Tempers Prevailing Optimism
(Renato Altissimo Interview; L'ESPRESO, 1 Dec 85) 63

NETHERLANDS

Economic Planks of Party Platforms Criticized
(M. Peter van der Hoek; ELSEVIERS WEEKBLAD, 15 Mar 86) ... 67

ENERGY

DENMARK

Industry, Government Concerned About Price Effect on Oil Sector
(BERLINGSKE TIDENDE, 3 Mar 86) 71

Greenland Search Halted, by Henrik Lerche 71
Consortium To Increase Activity, by
Jesper Elle 73
North Sea Production Record, by Jesper Elle 74

ENVIRONMENTAL QUALITY

FINLAND

Briefs
USSR Environment Studies 77

POLITICAL DENMARK

BRIEFS

COMMUNIST YOUTH ELECT CHAIRMAN--The 23 year-old excavation and concrete worker Ole Jensen was elected chairman by the congress of the Danish Communist Youth last weekend. Ole Jensen was previously chairman of the National Students Organization, LOE [Landsorganisation af Elever]. He has also been editor of the socialist youth newspaper FREMAD. [Text] [Copenhagen AKTUELT in Danish 1 Apr 86 p 2] /12624

CSO: 3613/97

POLITICAL

FEDERAL REPUBLIC OF GERMANY

MEMBERSHIP DECLINES IN CDU, RISES IN SPD

Hamburg DER SPIEGEL in German 31 Mar 86 pp 74-77

[Article: "With a Minus Chancellor Toward a Minus Party; First paragraph is SPIEGEL introduction]

[Text] Restiveness at the CDU base: for the first time in a long time, membership in the CDU is shrinking while, after a minus extending over several years, the number of SPD comrades is rising again. There is agreement among the Social and Christian Democrats about the causes of the change in trends--the citizens' disgruntlement about Bonn breakdowns and scandals. CDU strategists are afraid that West Germans are tired of Kohl and that the "atmospheric low" of the CDU will persist.

Before Easter, CDU national manager Peter Radunski had to fulfill an onerous duty. He had to explain to the press why, according to the latest figures, the CDU registered a nationwide loss of almost 12,000 members last year.

Playing the bloodletting down, Radunski cited "superannuation" of the membership as the main reason, saying that in individual months unfortunately up to 1,000 Christian Democrats had died. But at best that was half the truth. The national manager forgot to explain why the rise in membership, which began in the early seventies and steadily caused the party to grow for more than a decade, recently has dropped to such an extent that for the first time deaths and cancellations of membership predominate again, with the result that the CDU of a minus chancellor has become a minus party.

No less serious for the Christian Democrats is the fact that whereas its coalition partner, the FDP, has lost 20 percent of its membership since the start of the new coalition, an opposite trend is beginning in the SPD, with long missed Comrade Trend emerging again.

Having proudly celebrated the acession of its millionth member in September 1976, during the peak period of the SPD-FDP coalition, the SPD lost young and leftist comrades in droves, up to 30,000 a year, during the painfully long late phase of the Schmidt era, when the fight over counterarming and budget reform was raging within the party. By the end of 1982 the Social Democrats had lost almost 100,000 members.

After 3 years of the new coalition government, the SPD is now registering something new in its membership trend. Last year for the first time the number of comrades rose again--by as much as 0.4 percent to 919,457. It appears that the plus of the SPD is caused by the same things as the minus in CDU membership--anger over failures and scandals of the Kohl government.

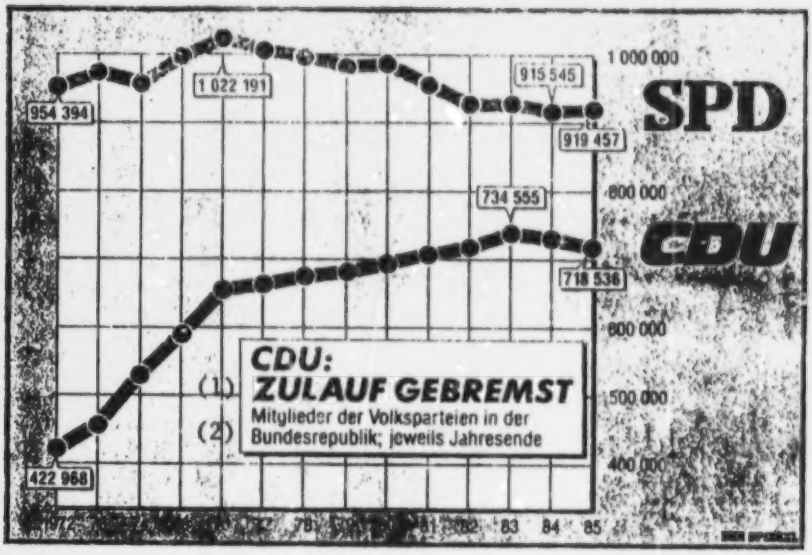
No doubt the "atmospheric low," which the CDU minister-president in Kiel, Uwe Barschel, identified as the cuase of the defeat in the municipal elections in the north, now, after the CDU voters, has also affected the party's own ranks. The "current membership trend," writes the Bonn CDU Information Service (UiD), is marked by "stagnation ranging to a slight reduction."

Looking for the reasons, CDU functionaries, whose party organizations have been affected by the negative trend, have already come up with results. They say that the main damage was done by the breakdowns from Buschhaus to Bitburg, the quarrels about the right to strike and security laws, the investigations of Kohl and others, the unsuccessful TV performances of the chancellor, and the unspeakable "blackout" debate.

Many CDU supporters in the plants are in a very bad mood. "Enough," says even the SOZIALE ORDNUNG, organ of the Christian Democratic Workers (CDA), in reporting the atmosphere at the base. In the plants, the paper notes, the strength of the CDU was "senselessly blown up the chimney" as a result of the article 116 debate. Reserves for the election campaign had been "frittered away," and one had to wonder "with whom Helmut Kohl actually wants to remain chancellor."

Such tones had previously been heard only from party friends in Munich. There Finance Minister Max Streibl has already called on the chancellor to "stand and act rather than sit and smile." CSU Bundestag Deputy Kalus Rose is already sure that in the event of an election defeat in Lower Saxony "we will not be able to win the next Federal election with a chancellor named Kohl." The CSU itself, though often also in opposition within the coalition, has not been spared either by the decrease in membership. Last year the Christian Socialists, spoiled by success, lost a net 1,377 members--an alarm signal for CSU Headquarters.

In the south, it is primarily the rural population which is mad at the Christian Union; in the labor strongholds in the west, the Christian party is fairing worse. Kurt Biedenkopf, chairman of the newly formed North Rhine-Westphalia party organization, is engaging in open criticism saying that many party members on the Rhine and Ruhr are simply "overtaxed" if they have to explain the behavior of the Bonn government to the base.



Key: 1. Brake on accessions
2. Members of People's Parties in the Federal Republic, at the end of each year

By publishing alarming figures from his own party organization, Biedenkopf wants to trigger an internal party debate about the membership minus. After figuring accessions, cancellations, and deaths and cleaning out the files, the North Rhine-Westphalia Christian Democrats last year had to put up with a decrease of 7,629 members--a far greater loss than anywhere else, both absolutely and relatively speaking.

Berlin Christian Democrats trace membership reductions of the local CDU not only to the generally deplored "flops of the Kohl government" but to the local scandals. One part, strategist "cannot remember" ever "having witnessed as many cancellations" as after the construction scandal became known. "That boomerangs on us," admits Berlin CDU Secretary General Klaus-Ruediger Landowsky, "and chokes us."

In Lower Saxony too, where the CDU is spending a lot of money to improve its image in time before the Landtag election in June, CDU functionaries and members are feeling a head wind. In the election campaign, people are fond of omitting the name of Kohl, and CDU politicians breathe easier when "not Kohl but Stoltemberg comes" to election events.

Without the chancellor the CDU may manage 52 percent, says Lower Saxony CDU chief Wilfried Hasselmann, wittily, but "if Helmut Kohl helps us a lot," it probably will be no more than "50 percent." And when visitors to the CDU information booth at Nibelungenplatz in Braunschweig enquire all too persistently about Helmut Kohl, election campaigners such as the CDU's Marga Thomas have been known to come up with the remark that the chancellor was "perhaps not quite himself" at the moment.

Merciless disparagement is Kohl's fate in RUNDBLICK, a press service which sometimes is considered the mouthpiece of Ernst Albrecht's Hannover state chancellery. The Christian Democrats are "tired of Kohl," states a commentary by Albrecht ally Helmut Rieger, with even the most faithful having reached "the end of their tether." Kohl has been "decisive at the wrong times," complains Rieger, and indecisive "where he should be decisive."

If "more" should come out of the investigations by the prosecutors' offices in Mainz and Bonn into perjuries in the party donations affair, says Rieger, a point will be reached where "all of a sudden it will be necessary to take action and action will be taken." Loyalty toward the chancellor was already on the verge "of becoming lack of loyalty toward the party."

The internal party debate about possible changes in course is being made more difficult by the fact that withdrawals from the party are justified by contradictory arguments.

On the one hand, there are staunch rightists for whom the change in coalitions turned out to be far too lax. In the Guetersloh CDU, for example, members canceled their membership because they missed a "more consistent action in regard to article 218," and in southern Germany Christian Democrats left the party because of the "loan of millions to the GDR communists" and the "invitation to Honecker."

On the other hand, members also quit because they could not put up with the stationing of Pershing and cruise missiles and with Kohl's endorsement of Reagan's SDI. In the Neuwied-Engers CDU, for instance, a lawyer couple justified their quitting the party with a 3-page letter about a lack of perspectives "in peace policy" and the "constantly rising armament expenditures."

Many CDU defectors are disgruntled about the "unfortunate performance of the leading politicians" and "affairs such as the Flick affair," according to the local CDU chairman in Neuwied-Engers in Rhineland-Palatinate, as well as about the "unpopular measures in social policy. "

In the opinion of Peter Roedl, CDU chief in Waldeck-Frankenberg in Hesse, economy measures whose effect "the people are realizing only now" have led to "several people quitting the party." In his region too, he says, the negative "performance image" of the Federal government has been "reflected in quite a fulsome way" in membership trends. What with the variety of reasons for quitting, CDU functionaries are not having an easy time trying to come up with a panacea against the reduction in membership. Only the Junge Union [Young CDU], which has been stagnating itself lately, has already come up with a savior.

After Baden-Wuerttemberg Minister-President Lothar Spaeth had spoken in Gifhorn before Lower Saxony's young CDU generation, observers recently noted "applause lasting for minutes on end."

A young delegate thanked the guest from the southwest effusively, saying: "If people like you shape policy, it is not too late [German: spaet] Mr. Spaeth."

8790/9738
CSO: 3620/633

PAPER VIEWS IMPACT OF DECLINING CENTER PARTY MEMBERSHIP

Helsinki HUFVUDSTADSBLADET in Swedish 4 Mar 86 p 2

[Editorial by Jan-Magnus Jansson: "Party Members and Voters"; first paragraph is HUFVUDSTADSBLADET introduction]

[Text] Party membership is starting to decline, according to a survey in HELSINGIN SANOMAT. If so this means that the postwar tendency toward an increasingly organized society has been broken and that we are going over to a more unstructured mass democracy, according to Jan-Magnus Jansson.

In an interesting article a few weeks ago HELSINGIN SANOMAT noted that party membership figures are declining. The newspaper pointed out that only the Swedish People's Party has managed to maintain its membership and even increase it slightly.

This leads to a consideration of the relationship between party membership and voter support, of the role played by members and of structural differences between various parties.

Party membership figures have long been available in various works dealing with political parties or the entire political system in our country. We noted that the general tendency in the figures and the "rank" of the parties correspond to those in the HELSINGIN SANOMAT [HS] survey, even though the exact figures vary a great deal. There is a drastic difference with regard to the Finnish People's Democratic League [DFFF] whose 1978 membership is given as 165,000 in Professor Onni Rantala's book on changes in the party system while the HS figure is 35,887. This is obviously due to different calculation methods, based on the fact that DFFF is an umbrella organization that includes in addition to its "own" members entire organizations, primarily of course the Finnish Communist Party.

The HS writer points out that parties are increasingly transferring their membership files to computers and this eliminates "departed souls" and nonpaying members from the files. In spite of this it is obvious that the material is by no means completely reliable. HS consulted Dr Jan Sundberg of Helsinki University for expert advice. He pointed out in particular that curves of party membership trends are not precise, due in part to different

ways of figuring the number of members. Overlapping occurs because those who belong to youth and women's organizations are often party members as well as members of the separate organizations, etc.

Thus although many figures are somewhat inflated, we can assume that they provide an accurate indication of trends. If that is the case there has been a stagnation of membership recruitment in most parties in the 1980's: the curves level off or point downward. But the only dramatic downturn involves the Communist Party and, to a lesser extent, DFFF. If the figures are regarded as generally reliable the tendency is obviously related to the declining interest in the parties in recent years.

However the most important thing is not membership trends over a period of time but the tangible differences between individual parties. It has been generally recognized that the Center Party has long stood out as the most highly organized party in this country both in terms of absolute membership figures and with regard to the ratio of members to the total number of party voters, which is the most significant indication of the degree of organization. By its own account the Center Party has almost 300,000 members, or 45.3 percent of the party's voters in 1983. This is the fruit of Arvo Korsino's labors on behalf of the party in his time.

The Swedish People's Party [SFP] has the second highest degree of organization with almost 55,000 members, or 39.7 percent of the party's voters. SFP is unique in that the organization percentage has risen slightly during the 1980's, corresponding to the generally increased interest in the party.

The Center Party and SFP are both regional parties that strongly dominate certain regions and attract their other supporters from clearly defined groups with the use of easily understood slogans. That is the reason for the high degree of organization.

The urban parties, the Social Democrats and the Conservatives, are clearly not as highly organized when measured by these criteria. The Social Democrats list 11.6 percent of their voters as party members and the percentage for the Conservatives is 11.8. It may be best to leave the Communist Party out of these calculations during the present period of upheaval. It is hard to get precise membership figures for the Rural Party, but it is obvious that the percentage of organization is extremely low.

Of course membership figures are not the only measure of strong organization. The activity of members and the solidity of local and district organizations are other characteristics of strong organization. But it is obvious that even members of the parties with a high degree of organization cannot speak on behalf of all the voters.

On the whole, members differ politically from nonmembers who vote for the party. They represent the party's ideology in a particularly deliberate and militant way. Socially, groups that are regarded as being especially central to the party can be overrepresented in its membership. The working class is

underrepresented, at least in the nonsocialist parties, while the position of intellectuals and in some instances farmers is too strong.

Incidentally, with regard to the current question of election reform, it is safe to say that no organizational democracy can guarantee that nominating candidates in "suitable places" through the agency of the party apparatus will lead to priorities that correspond to the preferences of the voters, in the event a transition to so-called long lists is being considered. From that point of view it is best to continue to allow the voters to select the individual candidates they prefer.

Then what good does it do a party to have a lot of members? First and foremost party members form a kind of basic pool that can be counted on to vote for the party in good times and bad. The strong organization of the Center Party is one of the reasons why the party has survived social structural changes so well.

In addition, candidates for various positions of trust on the state and municipal level and sometimes for civil service tasks are recruited from the ranks of the party. On the municipal level in particular, an extensive selection of people to choose from is desirable. On the other hand these tasks help to tie individuals more closely to the party.

The ideas of party members make a big contribution to the shaping of party policy. Party opinion, whether real or imagined, is the sounding-board against which party leaders perform. Party members receive the party's membership paper and the other information sent out by the central office. They are also supposed to attend meetings and express their views. The fact that the opinions of voters outside the local party organization, especially those of so-called marginal voters, are beginning to be increasingly important while the views of party people are declining in importance is a big change that can be regarded as a sign of progress or as a step backward depending on one's point of view. This has increased the power of the mass media and the opinion pollsters enormously.

If party membership really starts declining this would mean a break in the trend during the postwar period toward a steady increase in the power of the organizations. This would mean a shift from an organized society to a more unstructured mass democracy in which momentary impulses have increased significance.

6578
CSO: 3650/165

POLITICAL FRANCE

PCF CENTRAL COMMITTEE DISCUSSES ELECTION RESULTS

PM140925 Paris L'HUMANITE in French 27 Mar 86 pp 2-4

[Martine Bulard report: "Discussion at Central Committee Meeting"]

[Excerpts] At the risk of disappointing commentators, the PCF Central Committee did not meet to close the debate but instead to stimulate the Communists' thinking. For 2 days after Paul Laurent's report, which was published in L'HUMANITE yesterday, the Central Committee members launched a broad, free, serious, and uncompromising discussion. Almost 50 of them spoke, and another 30 who were due to take part in the discussion refrained from doing so since their ideas had already been partly expressed. No question was ignored: What exactly is our analysis of the vote? What is its underlying significance? What are its consequences? How can we face up to it? What obstacles do we have to overcome? Should we adapt to the society operating at several speeds which is being established, abandon the idea of changing it, or, instead, fight it? Should we scale down our ambitions at least for a time? Did we start to implement the 25th congress line during the election campaign? Should we change the party leadership? These are, briefly, the questions which were discussed.

Of course, it is impossible here to give an account of all the speeches in full. The report aims to pick out the broad outlines without excluding the disagreements which were expressed. Everybody stressed the Communists' anxiety and, in some cases, bitterness.

Many voters "voted with sinking hearts," with the intention of dealing with the most urgent matters first. Several speakers gave examples of employees who had called on people to vote communist and then explained on Monday that they had "given in" at the last minute and voted socialist. Some voters undoubtedly believed "the PS' great deception" which was fully explained with Francois Mitterrand's direct intervention in the election campaign. The idea of chaos which it brandished, the fantastic effort to hammer home the idea that the president of the republic could never agree to sit with the right in the cabinet misled people. When we warned people, and said that Francois Mitterrand would call on a right-wing prime minister, on Jacques Chirac, many of our interlocutors honestly thought we were exaggerating. "That is going too far." Many of them are now waking up to reality.

At the same time other voters thought that "Cohabitation was a way of avoiding the arrival of a hard right," as Paul Fromenteil demonstrated. They thought they could at least clip its wings by voting socialist. In many cases, he added, the people we met agreed that they were less well off and responded to our proposals. But many reacted. Thus they said: "Yes, by changing things it would be possible to create jobs, but meanwhile..." they voted socialist.

Felix Damette thought that this explanation of the useful vote does not go far enough. "Our interpretation of the results since 16 March poses problems..." It must be admitted "that the citizens made a logical and coherent choice. It is a sanction. The difficulties were caused by the way in which we fought the campaign and the choices made at the 25th congress." "We yielded the left's ground to the PS," he said. "This defeat for the party heralds further defeats, in the presidential election and in the municipal elections. We are out of step with society. Francois Mitterrand will resign on the left and stand as defender of achievements against the right. The PCF is being liquidated. We must stop talking about "continuing," Felix Damette said, and he called for an extraordinary congress. "We do not have the time."

"We keep coming up against this question of the inevitability of the crisis," Sylviane Ainardi said. "Of course, people always want to find simpler reasons, to reassure themselves. But we must oppose the idea of partial solutions to the crisis. There are none. This is precisely what our 25th congress demonstrated," emphasizing a change in society as the only answer to the capitalist crisis. But Lucien Seve thinks that what we did at the 25th congress did not make it possible to "change course" and he therefore proposed the convening of a national council meeting to assess the situation. Guy Hermier recalled that Paul Laurent's report had tried to examine this question. Marcel Rigout expressed the view that the useful vote is "a fact, not an explanation." Expressing the view that the party leadership has "inconsistent and incoherent attitudes," he thinks that "we will not focus our election campaign strongly enough on the idea that the crisis is not inevitable." A major plan must be produced and we must make people believe that a different policy is possible. "While we must maintain the level of our solutions, we must also ensure that we are understood." "Is the party capable of doing this? I do not think so. I do not think our policy and language are in tune with society."

Claude Poperin expressed the view that we should avoid two dangers--"turning the party into a second social democratic party and not heeding the profound discontent in the party toward the leadership." In his view the party's loss of ground was avoidable. We knew that there is a strong reformist current in the country. The answer had to be the reaffirmation of our class choice for a new society. "We did more to combat the PS than to assert our own identity." "We did not talk about our choice of society. We should have conducted a mass debate on the French brand of socialism." "We should think more about society (the working class, young people, retired people...) he said. "We are no longer in step with society."

In Claude Llabres' view we must find out why "despite the social democratic experiment through which our people have just lived, the PCF is losing ground." According to him we must think about the way in which we are implementing the 25th congress line.

Pierre Juquin, for his part, is not in agreement with what he regards as a "suicidal" attitude. He thinks "that there were no new splits in our electorate on 16 March but that the downward trend continued. We have not hit rock bottom yet." He thinks that "the more society changes, the more ground we lose. The fundamental problem is therefore our relationship with society." He noted "the general disruption" of French society (which is being Americanized and is therefore declining) and expressed the view that neither the PS, which is developing into an American-style "democratic" party, nor the neoliberal right is capable of providing an answer to this situation. Nor is the PCF capable of doing this as it is. He therefore called on "Communists to rise up and revive it," saying that this depends on a better understanding of French society and the drafting of a socialist plan for France. Pierre Juquin, who thinks that the PCF "is not by nature an opposition party" read an extract from an article in L'HUMANITE in 1931 on the necessary freedom of criticism in the party. "We must draw up a realistic response," in order to make people "accept a real left-wing policy." It emphasized individual rights, the new civilization, North-South dialogue.... It explained that "building socialism in a single European country is an empty hope" and proposed a "European path."

After stating that the desire to "save the party" is not the "prerogative of a few people, of those who disagree with our strategy," Gaston Plissonnier stressed that "all the other party members are anxious to do this. They are struggling and will continue to struggle to overcome the difficulties.... Pierre Juquin cannot portray himself as a victim, since everybody is citing him. Most party members have been troubled by his public statements, to put it mildly."

When it came to voting on the resolution, Marcel Rigout stated: "While abstaining in the vote on this document, I would like to say, to avoid any confusion, as I have said on several occasions, that I disapprove of Pierre Juquin's statements outside the party, which violate the organizational principles based on democratic centralism."

/8309
CSO: 3519/152

POLITICAL FRANCE

MARCHAIS ON ELECTION RESULTS AT CENTRAL COMMITTEE MEETING

PM140939 Paris L'HUMANITE in French 27 Mar 86 pp 5-7

[Text of speech by PCF Secretary General Georges Marchais to PCF Central Committee meeting in Paris 25 March: "Explaining Taking Action, Uniting"]

[Text] Comrades, in this speech I would like to dwell on just two of the questions discussed in Paul Laurent's detailed report and which refer back to the basic analyses which we made at the 25th congress. First: What state are our people and our country in after these 5 years of socialist government? Second: On the basis of this situation how can we fight to make progress to overcome the crisis and change society?

The Record of 1981-1986: A General Slide Toward the Right

First the record. It is a very poor one.

At the congress 1 year ago we made a detailed examination of how and why the crisis was worsening in all spheres, and how and why capital's forces want to make it even worse.

"To safeguard their class interests," we demonstrated, "these forces are determined to ruin the great opportunities now being offered for reshaping the whole of society. They are striving to set out country permanently on the course of weakening and decline."

What has happened in the past year confirms this disastrous development in all aspects. We can talk of an unprecedented deterioration in the situation of labor and the country itself. I will not go back over the figures which back up this assessment at this Central Committee meeting: They were given in the report. They show that the employment situation has never been so serious; that, contrary to official statements, the French economy has grown weaker; that social inequalities have grown; and that freedoms, especially freedoms in the enterprise, are under attack.

In the political sphere the record of the past 5 years is quite simply disastrous. After being beaten hollow in 1981, the right has made a strong comeback in 1986. Together with the extreme right, it has 54.5 percent of the votes, as against 44 percent of the votes for parties which claim to be left-wing. It is a long time since there was such an imbalance of forces in the right's favor.

However, although enlightening, these figures alone are not enough to show the scale of the swing to the right which the 16 March vote reflected. Another factor must be taken into account, as everybody here knows: of this 44 percent of left-wing voters, almost 32 percent voted socialist.

How the "Useful Vote" Worked

Is this the effect of the "useful vote?" It undoubtedly is. During the June 1985 Central Committee meeting we had stressed that the "PS' essential objective" was to be to "capitalize on the reaction against the right and revive the 'useful vote' for its benefit." On the basis of "the strong trend toward the bipolarization of French political life which the practice of the Fifth Republic institutions inspired," every effort will be made, we demonstrated, "to try to limit the choice offered in 1986 to a choice between the PS and the right, reviving a left-right type of confrontation."

We can never overemphasize the deeply undemocratic nature of these institutions, the dangerous responses they arouse and which characterize election behavior increasingly. The plan is well-known: every 7 years, in the presidential elections, the choice must be reduced to two men; and all following elections must be conducted on the basis of this choice. The PS made full use of this phenomenon, which it was able to accentuate thanks to the president's direct involvement. As Pierre Mauroy explained, "the main architect of the recovery (of the PS) is the president of the republic. He succeeded in...linking the way people voted in the parliamentary election with support for his action, which enabled us to emphasize the useful vote." All party members who took part in the election campaign felt the strength of this trend, which constantly grew as election day drew nearer. The PS itself talks of "3 percent of last-minute voters" which it won through this trickery.

However, once this phenomenon has been noted and the mechanism on which it is based has been explained, we still have to understand how millions of employees, unemployed people, and retired people could believe in the conditions which prevailed in 1986 that the "useful vote" on the left, and the "useful vote" for them, was the socialist vote. Of course, this does not mean that they all approved of the PS' whole policy. Many cast a vote "against" rather than a vote "for": a vote against the right rather than a vote for the PS. This is the very principle of the "useful vote."

They nonetheless gave their votes to a party which--as I have just recalled--increased unemployment and sacrifices; they voted for a party which devoted the months of January and February to fighting us and the trade unions to impose flexible working, which portrayed the generalization of Useful Community Work as one of its major successes, which used the flare-up on the stock exchange and "industrial peace" as election arguments. The PS certainly used the word "left-wing" a great deal. But the meaning it gave to this notion is that of a kind of humanitarian element added to a right-wing policy and right-wing statements. It is on this basis that it rallied people.

Because of this an examination of the balance of forces between right and left alone is not enough to fully understand the difference between 1981 and 1986. In 1981 the PCF had 15 percent of the votes; it was already suffering from "useful voting" for the PS which succeeded in reaping the benefits of a great hope for change; the right was at its lowest level for decades; the extreme right had 0.4 percent of the votes. In 1986 the small extreme left parties and the ecologists have been eroded; the PCF has been further weakened; the PS is growing stronger on the basis of a right-wing policy; the right has won; and the extreme right has almost 10 percent of the votes.

The Aspiration to Change Society Has Waned

So, in fact there has been a general swing to the right among the voters; this swing is obviously not just to be seen in the electoral sphere but reflects a profound shift in society. The major situation reflected by these elections is a weakening of the popular forces and progressive ideas, and all the values which make up the left's heritage. Above all, the most essential aspect of the class confrontation we are experiencing has been weakened: the aspiration to change life and to change society.

We have often emphasized this, stressing that it is the main obstacle we are encountering and will continue to encounter: Only a small minority of people understand the real causes of the crisis and know the real solutions to it. We devoted our whole election campaign to trying to clarify this fundamental question, on the basis of the pamphlet "It Is Possible to Overcome This Situation" of which we published 8 million copies, and on the basis of our proposals for employment. If these efforts had not been made we would have lost voters rather than winning them. All the indications are that the experience of the past 5 years helped to further cloud the essential problem of the class content of the crisis in the eyes of millions of workers.

Why?

The PS Tried to School People to Give Up the Idea of Changing Society

Paul Laurent's report answers this question, rightly stressing that for the 5 years in which it has had full powers the PS "has not only acted in a negative way but has accompanied this political attitude by a fervent campaign in favor of the ideology of accepting the rules of capitalist society and resignation to the crisis and austerity." In this connection, on the basis of experience we can talk of a real effort to school people to give up the idea of changing society.

Brought to power in 1981 thanks to the left-wing union strategy which enabled them to weaken our party, Francois Mitterrand and the PS were in fact unable to immediately do the opposite of what they had promised. They first had to take account of the great popular hope which had put them in the position of governing the country. There were the reforms of the first year introduced by a government in which we were participating. But, as we stressed at the time, because they were not used to lay the foundations of a new policy, those decisions did not solve any problems.

For instance, because they were not accompanied by a production increase and employment policy, the social measures and the increase in consumption they generated produced additional imbalances in the economy. This led the PS to explain that it had been demonstrated that the increase in purchasing power and in social contributions make the situation worse.

The newly nationalized enterprises were managed like those in the private sector, and the loss of jobs continued. This led the PS to explain that it had been demonstrated that nationalizations were not a good solution.

Workers in enterprises were given new rights, but they remained a dead letter or were used as a means of involving them in the employers' objectives. As the employers' newspaper L'USINE NOUVELLE wrote last week, "The Auroux laws undoubtedly played a role in this surprising acceptance by employees of the current difficulties and the enterprise's needs." It is also worth remembering the debates which took place throughout the country in other spheres, in each establishment concerned on priority areas of education, the Legrand reform, and the research governing body. In each case these debates, in which those concerned took part enthusiastically, led to nothing. This led the PS to explain that this demonstrated that having discussions, allowing people to give their opinions, and participating does not improve things.

First Discontent Then Acceptance in the Name of 'Reality'

Throughout this period the socialist government put up a tenacious and often brutal resistance to any proposal for combating the crisis, to any people's struggle--be it for employment, against flexible working, or against Berlusconi--whereas it chose to capitulate each time the reactionary forces spoke out, be it the National Council of French Employers, Hersant, or the advocates of private education. This led the PS to explain that it had been demonstrated that struggling led nowhere, that the right is too strong, and that it is necessary to compromise with it.

This painful lesson which the socialist leaders tried to inflict on our people caused a great deal of disappointment and discontent. For a time it was this unpopularity which prevailed, as was demonstrated by the poor results achieved by the whole left in the 1983 municipal elections and the 1984 European elections. A section of the people's forces concluded, like us, from this experience that it was necessary to unite and take action for a real left-wing policy. But the election result shows that the majority of those men and women who voted for change in 1981 have reached the rather vague conclusion from this experience that the reforms proposed by the left were tried but failed to solve anything; that the change in which they had so fervently believed conflicted with reality and that it must therefore be abandoned in the future. Some of those people, indeed large numbers of them, are disillusioned and abstained. Others voted socialist.

The PS constantly reiterates that it has "learned" a great deal from government and it has moved from a "background in opposition" to a "background in government." Indeed it strove above all to "teach" a section of the people's movement that reality henceforth makes it necessary to abandon all the strong points of the left's character and to move from a left-wing attitude to a right-wing attitude.

The Idea of the Inevitability of Capitalist Answers to the Crisis Has Gained Ground

This is particularly true of the rest of the problems facing us: the attitude to the crisis and the solutions to it. From this viewpoint the PS boasts of succeeding in reconciling the French people with enterprises. In fact it further strengthened the identification of the enterprise with profit. It used the French people's experience of a socialist government, explaining that it could not keep its promises, and the experience of the developments which have taken place in the labor world which they have every day in their enterprises to bind employees more closely to the requirements of profit.

The aim was not only to convince them that the crisis was inevitable but that capitalist answers to the crisis were inevitable. That was reflected in efforts to end index-linking of wages and to individualize wages, in flexible working, the search for links between changes in wages and the enterprise's financial results, the promotion of the Variable-Capital Investment Company and other forms of saving whose remuneration depends on financial speculation. The ideas that the criterion for the success of an enterprise is profit achieved by any means at all, that employment and that economic progress presupposes social regression, thus gained ground. The bosses have never been as popular as they are now--all opinion polls show this.

The Crisis in Political Life and the System of Values Has Grown Worse

This is the root of the problem, from which everything else stems. As soon as the aspiration to change society wanes, when the domination of the dominent class is less opposed, the dominant ideology has new and major opportunities. The swing to the right which can be seen in election choices and in economic concepts is also to be found in the sphere of ideas, values, and everyday behavior.

This has many profound and worrying consequences. Henceforth, using the words "capitalism" or "class struggle" would amount to using hackneyed language which should be abolished. Thinking about society and the conflicts of interests which exist in it would amount to "ideology." Nothing ought henceforth to hinder the mechanism of selection between the "winners" and "losers" of the social system: profits and wealth are allegedly the just reward for the courage of those who dare to be employers; the achievements of people's struggles are apparently unacceptable privileges which curb economic development; collective action is apparently a handicap to individual success; the trade unions are apparently a handicap to individual success; the trade unions are apparently useless and archaic remnants; charity ought to replace justice.

Of course, this change leads to a considerable deterioration in political life itself. It has repeatedly been said that the French people were bored by the election campaign. How can anybody be surprised by that when it was accepted from the start that there is no choice between two plans for society? In these conditions the political debate takes an increasingly pseudopolitical turn, having no connection with people's concerns and the country's problems. The PS' progress and the right's victory are also the result of this growing depoliticization, of this dramatic reduction in the level of political debate, which is increasingly frequently transformed into a debate on leaders and not on ideas. This is a considerable backward step.

The Class Choice of Capital's Forces: A Society Running at Several Different Speeds

As we emphasized during our 25th congress, "Capitalism is also throwing society into a political crisis, a crisis in the system of values." "Capital's forces have concentrated the bulk of political power in the hands of one man. They have strengthened all the bureaucratic and technocratic controls of the state apparatus. They have turned radio and television into tools of the ideological war which they are waging against all progressive ideas. Insularity, blinkered individualism, the rejection of politics, skepticism toward any noble ideal are thus presented as the only values to be respected," we said. These ideas and this behavior have gained even more ground since then.

Of course, all these political, social, and economic developments which have taken place over the past 5 years and which an attempt will obviously be made to continue in the coming period owe nothing to chance. They are the embodiment of a class choice which is shared by the right and the PS, the choice of society which capital's forces have made for our country: that of a society which runs at several different speeds, based on the American model. This society is being established in France.

Our Fight in the Coming Period

It is in these conditions that we must act henceforth. This brings me to the second point of this speech: On the basis of this situation, how can we fight to make progress toward solving the crisis and changing society?

Of course, we must start from a lucid assessment of the facts. It is clear that the result we achieved 16 March does not provide the people's movement with the best conditions for counterattacking. We emphasized this at our June Central Committee meeting: "In 1986," we said, "there will be a close relationship between the scale of the demand for a different policy, the ability of this policy to win over other forces to produce a majority, and the expansion of the PCF's influence. To achieve change in France means giving the PCF the means of really influencing the course of events."

We failed to achieve our objective of regaining ground. At the same time--and nobody can make us disregard this fact--capital's forces also failed to achieve their objective--which was to crush us--and to rid our country of any idea of social change.

I would like to recall that at the same Central Committee meeting we also considered the way in which we ought to combat what we had called "the great danger" of our party being "pushed to the fringes" which is hanging over the workers. "Is it by ignoring this fundamental issue," we asked, "by seeking compromise, and by trying to join in the pseudopolitical game played by the PS and the right on the ground chosen by them?" We replied: "In addition to the fact that they take no account of the workers' interests, these tactics would--and I mean this--be suicidal. They would be suicidal quite simply because the strategy followed by the PS and the right leaves no room for a revolutionary party."

Everything now leads us to confirm this analysis. We must take our thinking further, and be clearly aware that the more the PS and the right go ahead with their strategy, the more they will try to accentuate the swing to the right in all the spheres we are observing, and the more we will be dissociated from that trend. This is quite simply because their aim is to perpetuate the capitalist society, accentuating its unfair and inhuman character, whereas our raison d'etre is to find a lasting solution to the problems facing us, and to build a different society in our country: a French brand of socialism.

Our Explanations and Actions Will Increasingly Conflict With What the Right and the PS Say and Do

In other words--and we must be fully aware of this--our explanations and actions will increasingly conflict with what they say and do.

For instance, they will increasingly vaunt "winners" and "decisionmakers," the virtues of the law of the jungle and "deregulation." These theories will, of course, be accompanied by "liberal" and "social democratic" variants. But can we imagine for a moment that they will be accompanied by revolutionary variants? A party like ours cannot compromise with this ideology and the decisions it inspires. Quite the reverse, we will have to fight them increasingly, countering them with our proposals for growth and employment, equality in education and training, the right to housing, health care, culture, and dignity.

Similarly they will laud what they call the Western world, will continue to foster the racist concept according to which the capitalist countries are an island of democracy and well-being lost in an ocean of barbarity. We must increasingly take action for peace and disarmament, for international solidarity, and friendship among peoples.

Finally, they will try and set up in France an American-style system of alternation between two dominant parties. This is the avowed aim of the PS which, according to its recent decision, is now "in opposition without concessions" in order to "assert itself as the alternate party." Does this

mean that we should take these statements literally and act as if nothing had happened, as if the power at the highest level in the state was not being shared, as we said it would be, between the socialist president of the republic and the right-wing prime minister he has chosen? And, on a more fundamental level, should we act as if this institutional cohabitation did not stem from a political and ideological cohabitation between the right and the PS, both accepting society's capitalist structures and operating rules. Despite petty political statements, opposition to the policy of austerity and unemployment which results from this choice they have jointly made rests with the PCF. We will demonstrate this in action. We will do so by struggling relentlessly against this policy. And we will do so by constantly explaining that we are not resigned to this situation; that a different policy which enables the people's problems to be solved, is possible; and that we are and always will be available to implement this policy with other political forces.

Explaining the Content of Our Plan for Society Ever More Widely and Effectively

Faced with the increasingly crisis-ridden society which is being established, we must therefore explain the content of the plan for society which we jointly redefined at the 25th congress ever more widely and effectively. Of course, we must not do so in a doctrinaire fashion. At the congress we emphasized the fact that "We see the French brand of socialism as the practical answer to the problems and needs of our crisis-ridden French society. This society is not immutable; we must know it more fully, understand it better, and develop the answer we are proposing to ensure that it corresponds fully to changes in life. Moreover, socialism will be our people's creation; there can be no question of providing a ready-made plan in advance for what will gradually be built through struggle." In this respect the way in which we conducted this election campaign with the specific and limited proposals we put forward, strikes me as a good illustration of our approach which is based on life and not on vague ideas.

Never Losing Sight of the Main Obstacle We Are Encountering

We must therefore continue to assert and make known the answers to our country's serious problems which form the main lines of the socialist society we are proposing: a just society, new growth, a new era for freedom and democracy, a cultural renaissance and the establishment of new human relations. We will not follow the negative forces which constantly state that giving priority to employment, social justice, self-management, the struggle against social segregation in schools, social security, the right to health care for all, feminism, antiracism, international solidarity, peace, and disarmament are all archaic themes. We must therefore fight, as we are doing, on each of these fronts.

At the same time nothing can make us lose sight of what I called just now the major obstacle we are encountering: ignorance of the class content of the crisis and of the necessarily anticapitalist solutions it requires. We could, if necessary, talk at length about the need for a new society and civilization freed from a tendency to Americanization, while calling for a reduction in the level of our economic proposals in the name of "realism."

We settled that debate at the 25th congress: "There are no partial solutions possible," we said, "between those which are aimed at adaptation to the crisis and those which really combat it, calling into question capitalist management choices." We are not making an arbitrary decision to place on this level the solutions we are putting forward: It is the nature of the crisis which requires this. As we showed in this election campaign this obviously does not mean that we should call on people to give a verdict on all our anticrisis objectives at every minute of every struggle.

All this shows us, therefore, that we are going to be forced to increasingly run counter to the trend which capital's forces are trying to impose on society. However, the question we must ask is this: Does this mean we are and will be running counter to the people's needs, concerns, and hopes? The answer is, obviously, no.

Our Advantages

As Paul Laurent stressed, we began to "approach politics differently" in this election campaign. In other words we began to patiently and carefully hold out our hands to all those men and women who are victims of the crisis and whom we want to unite. As the Politburo stressed on the evening of 16 March, "these many efforts enabled the Communists to establish new links with millions of people who had moved away from our party." It is impossible to just sweep away this work, which is a considerable achievement, at one stroke.

It is thanks to this remarkable action by the Communists and friends of our party that we won over 2.74 million voters in the parliamentary elections, and 2.87 million in the regional elections, in other words 480,000 and 610,000 more than in the 1984 European elections. We must continue to follow this course. The different reports reaching us show--is this any surprise?--that it is those men, women, and young people who are the most politically aware and more active in the trade union movement, and in associations that we have won over or won back. This is a precious advantage for the future and shows the opportunities which our congress policy gives us.

Of course, we must not take a didactic attitude, the intolerable attitude of those who are always right, toward those men and women who abstained or voted socialist. But we must simply continue to explain out ideas and our anlaysis to them, and show them that we are still available, with the resources we now have, to struggle and take action with them to solve the problems they face.

To learn all we can from these elections and successfully accomplish the tasks awaiting us, the Communists need to make a great effort in analysis and discussion to fully absorb the 25th congress policy. This effort must be made by all, especially leaders at all levels, to enable them to give our party cells and members the help they are entitled to expect from us.

We Can Convince Millions of People That There Is a Way Out

Comrades,

Our people are faced with a crucial question: What is the permanent solution to the crisis? We replied: changing society, and a French brand of socialism.

Of course, we have used the recent period to make our answers known. But things will increasingly be presented in practical terms. A society which operates at several different speeds is already being set up. This is being done in a [word indistinct] and permanent way.

Not being passive, fighting, putting up opposition therefore presupposes that we convince people and win over millions of people to the idea that this outlook is not inevitable, that we can find a solution, that there is a way out. This is not an easy task: We already know this. But there is no other way for those who want our party to play its role fully and grow stronger in our people's service.

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POLITICAL NETHERLANDS

ANALYSES, COMMENTS ON MARCH COMMUNITY ELECTIONS

Commentator on Campaign

Rotterdam NRC HANDELSBLAD in Dutch 20 Mar 86 p 9

[Article by J. M. Bik: "Caution Dominates Hard Campaign"]

[Text] As always, all the politicians questioned last night were pleased with the results registered by their party in the elections. Whether they won or lost did not appear to matter much to anyone in this respect. It is possible, as some people did on behalf of the CDA or the VVD, to compare one's own results with previous unfavorable opinion polls and ascertain that things are back on track. There are many unseated council members who probably listened to these statements with mixed feelings. It is also possible, as the PVDA did, to take the comparable previous election results as a gauge of satisfaction. Many newly-elected council members will wholeheartedly agree with this. Only the voter will from time to time wonder with surprise whether he actually allowed everyone to win.

And yet, this time the local politicians, certainly those of the three big parties, were all to a certain extent right, in their own way. The PVDA is indisputably the winner. After all, it has recovered formidably, in part at the expense of the small leftist parties, from the blow that it received in 1982 during the council elections, even if it was slightly disappointed by a vote percentage of 32 percent after polling results that have for some time been higher. After a couple of years of difficult governing, the CDA ended up with a score that, according to Lubbers and his supporters, more or less reflects the natural party range: one-third of the electorate. And on behalf of the VVD, parliamentary caucus leader Nijpels, who for the last few difficult months has been equally plagued by local politics and opinion polls, was evidently not dissatisfied with what Lubbers sees as the "normal" range of the VVD: around 20 percent (yesterday it was close to 18 percent) of the votes, or something like 30 seats in parliament. The blow visibly exceeded Nijpel's expectations yesterday evening; in the course of the evening, he revised, presumably for tactical reasons, his initially quite cheerful comments.

The inhabitants of the southern provinces can count on the full attention of the three big parties in the parliamentary election campaign. The PVDA did

quite well there in 1977 among voters who formerly supported sectarian parties. Then, just as yesterday evening, PVDA leader Den Uyl talked about places where his victorious party had previously only been "tolerated." In 1982, the stay-at-home vote scored highest, and Nijpels' VVD came out ahead. In short, if there is anywhere where it is worth the effort to bring out voters, it is there. Thus, over the next 8 weeks, more than the average number of northern Dutch politicans will be found at southern Dutch marksman tournaments and music competitions. This is a certainty.

Greater Turnout

The results of the council elections give the three big parties hope that their goals for 21 May are not impossible. The PVDA can then derive benefit from the generally larger turnout for parliamentary elections. In addition, it will hope that the government parties will have developed by then a policy that is just damaging enough for them to forfeit yesterday's narrow majority. Only in this does the largest government party see a chance for forcing the CDA into a different coalition.

Final discussion of issues such as media policy, euthanasia and the equal treatment act have been postponed until after the elections. The issue of the stationing of cruise missiles is for the time being all but closed as far as the Netherlands is concerned; it has become less important electorally and can scarcely be used by the PVDA without even greater risks for the period after the elections.

Now that a shift in a few seats in Parliament on 21 May between the two rival blocs (CDA/VVD versus PVDA) can be decisive, the campaign could immediately focus on the revision of the social security system planned by the Lubbers cabinet, and the way in which the nation is to compensate for the disappointing natural gas profits for 1987 (and in particular, by whom, and in what proportions by the citizenry, business and the collective sector). Shortly before elections, the CDA has reason to fear the first question (for its "social face") with respect to how strong Lubbers' position as lead candidate and prime minister can be allowed to be. The VVD can expect little good from the second question with respect to whether it is going to block a tax increase for business (as well) and citizens or accept it reluctantly.

It would not be surprising if the CDA and the VVD were to be very cautious here and perhaps postpone definitive decisions on both issues until after 21 May. In this way, a new Parliament would get the last word, perhaps while the CDA is able to calmly appraise and compare the obligingness of the candidate coalition partners during the cabinet formation. A hard campaign lies ahead, but it will probably be conducted imperceptibly cautiously, on tiptoes.

Editorial on Results

Rotterdam NRC HANDELSBLAD in Dutch 20 Mar 86 p 9

[Text] Many hundreds of council seats are changing hands as a result of yesterday's elections. They were local elections, but they were very much dominated by national politics. The PVDA, favored by a reasonably good

turnout and the preference of many new foreign voters, achieved a particularly large gain of eight percent compared to its disastrous showing in the council elections of June 1982. It was able to win spectacularly in a number of large southern communities in particular. In the meantime, its victory there and elsewhere is probably more due to its thriving role as the national opposition than to its traditionally large contribution to local government. The frequently cooperating small leftist parties had to pay part of the price for this. Assuming that national influence was considerable yesterday, this provides the "big Left" with an attractive--because it is steadfast--perspective for the parliamentary elections on 21 May, while the "small Left" is left with a proportionately unattractive prospect.

And yet the question is--in part because of this--whether the PVDA can be truly satsified with yesterday's outcome after its long heyday in the opinion polls. This time it scored, estimating conservatively, the equivalent of 53 seats in the Second Chamber. And the VVD, not unexpectedly, lost approximately four percent compared to its very good results in June 1982, while the CDA as well was forced to give up around one percent. But in terms of the parliamentary elections of September 1982, the government coalition was able to limit the damage to a balanced loss of about four seats (CDA 49, VVD 28). In other words, looking at the figures at the end of the election return marathon last night, one thought first of all about June 1982 and then about the results of the 1977 parliamentary elections (PVDA 53, CDA 49 and VVD 28). On balance, the political baselines thus do not appear to be changed significantly; if the CDA has "turned to the right" since 1977, then apparently so has the electorate.

But even if the baselines have not changed, small shifts of only a few seats could soon (on 21 May) be of great importance. Would the Lubbers cabinet, would the CDA, which is vulnerable in this area, want to continue under these circumstances with the planned revision of social security, for example, in the short run? It sounded strange after last week, but in view of the narrow margins, it was in fact no wonder that practically all leading politicians said yesterday that the parliamentary election campaign should now really begin with full intensity. There is one important difference with 1977: the CDA and the VVD are now asking for support in order to continue to govern together.

The small sectarian parties on the right also appeared to be reliably stabile yesterday, while the ideas of the Center Party and its split-offs appeared to have disappointingly little appeal. This should be noted, certainly now that large groups of migrants have for the first time taken part in council elections. If on a subsequent occasion these migrants are viewed by politicians and the media as something more than "ordinary" voters (with their own desires), then something will be won. Because in recent weeks, and yesterday as well, this local migrant suffrage has at times been strongly seized upon as a token of resolute "do-gooding" and national enlightenment.

There was no clear answer yesterday to the question of whether D'66 is experiencing a rebirth under Van Mierlo. At four percent, the Democrats are maintaining roughly the same number of council members that they won in 1982. That is certainly a step forward compared to later unfavorable opinion poll

figures, but still not as big a step as Van Mierlo had and has in mind. Now that the three big parties appear to be united in their plan to give D'66 as little as possible of the publicity on which this party is so dependent, Van Mierlo is facing a very difficult task. All the more so since its campaign position--preferably no cooperation with the CDA/VVD, but actually not with the PVDA either as long as it maintains its position on the cruise missiles--does not make things any easier for the voter.

And finally, it was inevitable, but at the same time it was not good that all those local politicians were forced in recent weeks to conduct their campaigns so much in the realization that the actions taken by Den Uyl, Lubbers, Nijpels and other national heavyweights were more important than whatever local issues there were. In this respect, municipal independence and the independent significance of municipal politics were put to the test in an unusually severe way.

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POLITICAL SPAIN

PCE'S CURIEL ASSESSES REFERENDUM OUTCOME

Madrid TIEMPO in Spanish 24 March 86 pp 19-21

[Interview with Enrique Curiel, deputy secretary of the PCE, by Natível Preciado; date and place not given]

[Text] Enrique Curiel is the communist who has fought hardest for a rejection of NATO. Two long efforts ended in defeat. What remains for him is the so-called moral victory, and a bittersweet taste. He is a loser for whom new prospects are opening up. Having become deputy secretary of the PCE as a result of the events of May 1968, he discovered politics along with Enrique Tierno, joined the PCE under the spell of Carrillo, and is today the right-hand man of Gerardo Iglesias. He is confident that the New Left will win back its old splendor.

[Question] Has the feeling of displeasure passed?

[Answer] Obviously we lost the referendum, but it cannot be said that the government won it, either. The truth is we did not feel much displeasure. What remains for us is a certain bittersweet taste.

[Question] You do not then feel defeated?

[Answer] The fact is politics does not involve just numbers. In this referendum, the results might have been the same, but the other way around.

[Question] This could be said about any election.

[Answer] About any, no. Let me explain. In the last 5 days of the campaign, about 2 million Spaniards changed their position, because they received mixed messages from the government. One was directed to the center right. Felipe Gonzalez told the people that if they voted no, we would abandon NATO. The other message was addressed to the most sensitive left wing. "If this government resigns, a Fraga government will replace it." And obviously, the people were frightened.

[Question] Do you believe that Fraga is frightening?

[Answer] Unquestionably, because as many socialist militants have told me, they do not know which is worse--staying in NATO or having Fraga in the government. We lost in the last 72 hours, when the government decided to make the referendum into a process of endorsement of Felipe Gonzalez.

[Question] It is a fact, to judge from the results, that the government waged a more efficient campaign than you did.

[Answer] It is not a question of better or more intelligent. It was more effective only because it had the advantage of television, Radio Nacional, SER and some press organs controlled by the government. With such assets, it is easy to be more effective. Look--the government says that it will not profit from the success of the referendum, not because it is making any generous concession, but because it really cannot. Since 12 March, this government has not represented the Spanish left wing. A split has occurred and the social bloc responsible for the triumph of the PSOE in October of 1982 no longer supports it. It is no accident that Felipe Gonzalez wants to extend a hand to those who voted "no". He is doing so because he realizes that a very important part of his electorate has been lost.

[Question] Do you believe that the 7 million people who voted "no" are against the government and represent the left wing?

[Answer] Absolutely not. It had not occurred to me to make such a stupid analysis. I have never said that the 7 million voters are ours. Similarly, many of those who voted "yes" will not vote for Felipe Gonzalez in the next elections. What I am saying is that now nothing will be as it was before. This referendum dealt a tremendous political blow to Spanish society and has provoked a great debate on the left.

[Question] Do you feel hurt?

[Answer] I do feel hurt, but very hopeful, because we have launched a new political process in Spain. We have socially and culturally regrouped the bloc which waged the battle for change, which was the spearhead in transition and the base for this democracy. With the negative vote, a new generation of young people, intellectuals and the middle classes, to whom the concept of neutrality seems possible and desirable, has erupted in Spain.

[Question] The second phase of the "NATO no, bases out" campaign has now begun. The NATO issue will not change. What will happen concerning the bases?

[Answer] Nothing is finished here. Many things are just beginning now. The U.S. Department of State, the NATO general headquarters in Brussels and the Moncloa Palace should not be unaware that neutrality has tremendous social and cultural support in Spain. The 7 million votes, although not all of these people are leftists, are having an effect on Spanish foreign policy. If Felipe Gonzalez wants to seek a consensus with the pro-Atlantic right wing which Fraga represents, he must know that he is opposing a large proportion of the Spanish people. Now we are asking Felipe Gonzalez to act on the "yes" vote.

[Question] And what does this mean?

[Answer] It means that we will use his own discourse. The government said that the "yes" represented Europe and the "no" represented defense of the bilateral treaty with the United States. Well then, as Europe won, let them denounce the bilateral treaty, that is to say, "bases out."

[Question] Your slogan says "bases out by spring."

[Answer] It is in the spring that we will launch the campaign asking for cancellation of the bilateral agreement with the United States which expires in April of 1987, because this is the only way we can avoid being "nuclearized."

[Question] Do we not already have a guarantee that there will be no nuclear weapons on our territory, following this referendum?

[Answer] I think not. The current agreement with the United States provides for the possibility of installing nuclear weapons with the permission of the Spanish government. That is what the protocol Minister of Foreign Affairs Fernando Moran signed says, so that a decision of this type does not need to be approved by the Parliament.

[Question] They are now talking of a reduction in American troops.

[Answer] Let them not come to us with the assurance that 3 or 4 thousand U.S. soldiers will leave. The problem does not lie with the number of troops, but the quality. Matters will not be resolved by reducing the number of soldiers, by closing down the bases.

[Question] You say that the PSOE has been affected by this referendum. The view in the streets, however, is that we will have a socialist government for a good number of years.

[Answer] That depends on a number of factors. We will see how long Felipe Gonzalez will be able to sustain Fraga, who is his political crutch. The plans of Suarez, whether or not he will decide to head a progressive center, represent another unknown factor. And finally, there is the question of whether we on the left will be capable of converting this movement which has developed around the "no" vote on NATO into political energy.

[Question] Will you be able to do so?

[Answer] That is what I hope. A great deal of wisdom and clarity is needed to achieve this leadership. In any case, I do not see Felipe Gonzalez governing from now until 1990.

[Question] What does that mean?

[Answer] It means that in NATO, with Calvino, with Barrionuevo, with 3 million unemployed, with the bankers extending a hand to them ... there are some kinds

of help which are deadly. The truth is that I do not want to probe wounds, but I feel obliged to note that something will have to happen within the PSOE, with the Socialist Left and the UGT. I am simply awaiting the decision of the PSOE with regard to the socialist ideology. I note that those in the Moncloa Palace are very concerned.

[Question] I see that you omit any mention of the meteoric rise on the stock exchange, the congratulations from a number of governments, the relaxation of the economic authorities ...

[Answer] Those in power are content with the results of the referendum. The matter of the stock market is no mystery. The government contrived a strategy in the final days of the campaign so that there would be a drop on the stock market and thus the undecided would be frightened. The bankers, at the urging of the Bank of Spain and the Foreign Bank, have manipulated the stock market to suit their purposes. The highest authorities are supporting the government, which for a supposedly socialist government, may prove counterproductive.

[Question] There may be terrible points of coincidence. Alfonso Guerra says that he was sorry to see honorable pacifists voting on the 12th with the Herri Batasuna and El Alcazar.

[Answer] Many stupid things have been said. We are satisfied because at least we did not lose the papers as did the government. It is surprising, for example, that Fernandez Ordonez said that this was the "no" vote of the fascists, because when many of us were in Carabanchel, Ordonez headed the INI under the Franco government.

[Question] Electoral campaigns are full of base actions. Those who fail to fulfill their electoral promises should be penalized.

[Answer] Of course. This campaign has been a kind of melodrama. Felipe Gonzalez shows a dangerous dictatorial symptom, confusing the party with the state and with civil society. He will have to read some treatises on political sociology in order to avoid falling into such errors.

[Question] I was not speaking only of the electoral lies of the government, but those of all politicians.

[Answer] In this instance, we have not sunk to any base actions. At lease we have not victimized anyone in the regrettable way Felipe Gonzalez did, certainly on the advice of Julio Feo, who knows that squeezing destitute young people between the left and the right is a political marketing technique which always produces good results. At his dinners at the Bodeguilla, Felipe Gonzalez has reiterated an obsessive phrase, it is said. "They are coming for me, they are coming for me."

[Question] I insist that not only the government should be penalized.

[Answer] I agree. There is no political tradition here, and for this reason deceitful messages prevail. Society is easily influenced. Here television

commands. The level of a political leader's legitamacy depends on his appearances on television.

[Question] And can we not defend ourselves against this?

[Answer] Society has few mechanisms for defending itself against politicians and overlooks their lies with frightening ease. Therefore, leaders like Felipe Gonzalez, who is an excellent communicator, with Andalusian wit, representing the image of youthful Spain, sell themselves so well. The only defense is the organization of civil society.

[Question] The unknown quantity is whether the traditional left will be able to take advantage of this new political panorama.

[Answer] We have already made an offer. The campaign against NATO has served at least to get the PCE to establish an electoral platform for 1986.

[Question] This would have been possible when the PCE enjoyed its greatest splendor, that is to say when Suarez was in the Moncloa Palace.

[Answer] With that PCE, Felipe Gonzalez would not even have dared to call for a referendum. In any case, although we are not enjoying our best political period, I am certain that we will transform ourselves into a good political alternative to the PSOE, and we will not allow a vacuum to be created to the left of this government. We can count on many independents. Just now we are observing the second anniversary of the Executive Board for the Referendum, in which a broad spectrum of political forces participated.

[Question] I am afraid that the New Left (ecologists, pacifists, antinuclear forces, anarchists) does not want to hear about the PCE.

[Answer] We are not thinking of that movement. I sincerely believe that the most reasonable thing is that it is better for the PCE to occupy the "negative vote" area than for other more recently emerging forces to do so. Very diverse forces with only a single common denominator--acceptance of the constitution--are included in the platform we are proposing. We will have a very brief electoral program, with only four or five major themes, so that they can be taken up by everyone.

[Question] Are you forgetting the unity of the communists? Do you no longer want to know anything about Carrillo and Gallego?

[Answer] We want unity, but new political prospects which extend much farther have opened up. Let us say that the problem of unity concerns us, but does not worry us. Both Carrillo and Gallego have disappeared with the tide of the referendum. And I will tell you the truth: Things are much easier with Gallego than with Carrillo.

[Question] Why do you have such difficulty with Carrillo, despite the fact that you were his shadow for so long?

[Answer] I do not get along badly with Santiago. In fact, I joined the PCP after reading his books. I spent 5 years working with him, and the little of politics I know I learned there at his side. I would be a base ingrate if I did not acknowledge what I owe to him. No, I am not Carrillo's enemy, but everything he has done since the arrival of Gerardo Iglasias in the secretariat general lacks justification. If Carrillo returns to the PCP we will have to go, group by group, persuading the militants to accept him again.

[Question] Do you regard this as a lost cause?

[Answer] No, but this would be a difficult thing. Some groups have told us that "if Carrillo comes in this door, more than one of us will go out the other."

[Question] That seems impossible.

[Answer] Well, that is how it is. Not even he realizes how far his political obfuscation has gone. I trust that he may regain lucidity one day.

5157
CSO:3548/236

MILITARY AUSTRIA

FRISCHENSCHLAGER DEFENDS PURCHASE, EMPLOYMENT OF DRAKENS

Vienna PROFIL in German 17 Mar 86 pp 27-28

[Interview with Defense Minister Friedhelm Frischenschlager by Otmar Lahodynsky, date and place not given: "Accidents Will Happen"]

[Text] [Question] 244,000 citizens of Styria have signed a petition protesting against the Draken. The supporters of the initiative are now calling for your resignation and cancellation of the contract. Do you feel that this has hurt you politically ?

[Answer] I don't feel that this has hurt me at all and I see no objective reason for resigning. Quite the contrary: the fact that the Styrian OeVP as well as OeVP general secretary Graff are calling for my resignation shows that these moves are politically motivated for the most part. I view their call for my resignation as an OeVP knee-jerk reaction. But I am somewhat surprised just the same, since this same OeVP kept calling on my predecessor to resign because he failed to make any aircraft purchases. And what makes me angry is that the OeVP is now backing away from a decision in which it participated.

[Question] Nonetheless, SPOe Lieutenant Governor Hans Gross has also accused you of having been less than skillful in handling the matter, pointing out that the Draken opponents are being given additional ammunition in view of the fact that some pilots are undergoing psychological tests.

[Answer] I cannot let a popular initiative deadline determine whether pilots are tested or not. I neither ordered these examinations to be made, nor terminated. These are tests to insure flight safety. They have unjustly been likened to "East Bloc methods and forcible psychiatric examinations."

[Question] But it was strange that of the three pilots undergoing Draken training in Sweden only those two were subjected to psychological tests against their will who had come out with financial demands and had criticized the aircraft.

[Answer] The way you put it there are some physicians who manipulate medical examinations for political reasons. That is such a gross accusation that I will ask the medical association to comment on this issue.

[Question] Weren't the experts mistaken because the pilots were fit for duty just a week later ?

[Answer] The flight safety officer is required to submit an immediate report in case a pilot appears to constitute a danger to flight safety. In such an event, the pilots must be examined by flight medicine experts who may call on medical specialists, if needed. In this particular instance, the two pilots were examined in the interest of flight safety. They were not declared unfit to fly, however, but were grounded for the duration of the examinations.

[Question] Josef Krainer, the governor of Styria, virtually called you a psychiatric case when he said that your position is "totally removed from reality." He has called on you to cancel the purchase contract. Can 240,000 Styrians still intercept the Draken ?

[Answer] The governor of Styria, who is constantly complaining about a lack of style and unwillingness to thrash things out, has leveled personal attacks on me on a number of occasions. It is possible, of course, to manipulate the facts with the help of a huge propaganda effort and then to accuse the one who comes out against these distortions of being removed from reality.

[Question] The charge being made is that the Draken is too expensive, too old, too noisy and harmful to the environment. Now if all of these charges are false, why hasn't a single one of these Swedish bombers ever landed at Zeltweg so as to convince the public otherwise ?

[Answer] Saab cannot make a Draken available to us and according to Swedish regulations a regular air force plane of theirs may not be flown to a foreign country. But I will continue to make an effort in this direction.

[Question] But a few years ago an entire squadron of Saab 105s flew to Graz for a friendship visit.

[Answer] Those were not regular air force planes. Besides, what good would such a demonstration do ? It would be an air show pure and simple. I have seen the Draken. Of course it is noisy--just like any other aircraft. But the interesting thing is that the Draken is no noisier than the "flying barrels" we had here in Austria for years.

[Question] Let me put it more plainly: Acting as a representative of the republic, you bought a 24 year-old used car and the test drive did not take place until after you did buy it. Switzerland is just now going through the decision-making process on the purchase of 24 jet trainers. The models under the most serious consideration are tested by the Swiss air force for an entire year. Only after these tests are completed will a final decision be made. In our case it appears that it was the other way around.

[Answer] Our pilots have known the Draken for many years.

[Question] ...because the first Draken offer was made as long ago as 1968.

[Answer] Yes. At that time, they were very, very new aircraft. Why we bought 40 Saab 105 trainers and did not buy half that number of Drakens at the time has not really been cleared up to this day. The thing that really riles me is that people are now acting as though I had bought 24 aircraft at some flea market. My experts have flown the Drakens many times over the past 20 years and have tested them. Now they will undergo a general overhaul in Sweden and only then will be individually tested and approved by our experts.

[Question] But doesn't it seem odd that Austria is purchasing an aircraft in 1986 which was manufactured between 1963 and 1965 ? The Danes have just started to replace their 43 Drakens with more modern aircraft as part of a modernization program that is to be completed in 1993.

[Answer] The Danes will also be flying the Drakens until the late nineties. Our experts have convincingly assured me that the Swedish aircraft do meet our demands and are capable of fulfilling all of our needs.

[Question] Based on the most recent data, the Draken does not use 3,300 liters of fuel per hour of flying time as was originally reported but 5,800 liters which is about as much as an Austrian Airlines DC-9.

[Answer] As a rule, these contentions are wrong.

[Question] These "wrong" figures were reported by those first three pilots of ours who trained on the Draken. This December 1985 memorandum of conversation also contains an item which might be of interest to those living close to Graz and Zeltweg: "In any event, Saab 35 must fly at an altitude of 500 meters above threshold when starting descent about 20 kilometers from threshold point."

[Answer] These were impressions gathered by the pilots during the initial training phase. They are under orders to record their impressions on a continuing basis. The approach pattern is not 20 kilometers long.

That is simply wrong. The normal angle of approach for the Draken is between three and five degrees; but technically a steeper approach is possible. Let me say this regarding fuel consumption: The Swedes have signed a contract based on the invitation to bid. We will now check out all the figures to see which of them are correct and which are not.

[Question] The initiative also takes note of a strange price rise for the Draken. In 1983, Saab sent a telex to Consul Drescher, your representative, offering 24 Drakens at 6.5 million Swedish crowns per system which is equal to 1.5 billion schillings. One year later, these same aircraft suddenly jumped in price to 2.4 billion schillings. How do you explain this difference in price ?

[Answer] If you look at that so-called offer, which consists of a few lines of telex text, and then at our actual voluminous sales contract, you will readily see that this is like comparing apples and oranges. For that matter, that basic offer never actually reached my ministry.

[Question] Just the same, it did appear in the 1983 status report of your air section.

[Answer] We did not buy these aircraft until we had a detailed performance report in hand. One cannot compare a telegram sent out by a firm within its own jurisdiction with a detailed bid.

[Question] According to the sales contract, the technical "publication" alone comes to 186 million schillings and for a "publications index," a kind of catalog, the Swedes are charging us a whopping 2.5 million schillings. Doesn't that look as though the Swedes are taking us for a ride ?

[Answer] The 186 million schillings were in payment for the complete documentation, including all the know-how regarding the system. I have been told that this sum of money is quite appropriate. To think that our experts who negotiated the contract were so simple-minded that they spent 186 million schillings for something they could just as easily have bought in any bookstore is just plain wrong.

[Question] The British, after all, charged only half as much for this publication.

[Answer] Rest assured that my experts looked at every item very carefully.

[Question] Why was the purchase decided on so hastily ? You yourself said that time was of the essence because our Saab 105s were "old and rickety" and had to be replaced for that reason. But in the meantime it has turned out that these planes are not being replaced at all but that they will continue to fly until the year 2000.

[Answer] Yes, as trainers but not as surveillance planes. Only 16 of them will be flying for far fewer hours than heretofore. I am really sick and tired of answering the same old questions which have long since been settled.

[Question] Just the same, Chancellor Sinowatz, too, told his party confidants that the Saab 105s should be replaced by the Drakens.

[Answer] Yes. Up to now we have been using a training plane for purposes for which it was not designed. It is as if someone used a VW Bug for years to cart rubble and was now buying a truck because the Bug was no longer up to the job. Well, now we are not going to junk those 30 VW's but will use them to train our pilots to drive that truck.

[Question] But we are buying a truck that is even older than the VW Bug.

[Answer] We are perfectly aware of what we are doing. We are making use of a technology we can handle and which is going to fulfill its purpose until the year 2000 in the air forces of three nations.

[Question] First it was Lt. Col. Georg Schmidt who quit the service in protest against the Draken decision. Now another officer has thrown in the towel: Lt. Col. Hermann Klug, an aviation specialist, has declined any further assignment to the LEM department, citing the lack of competent personnel. In a letter to his superiors, he said that even "minor problems affecting present operational units confront the existing organization with almost insoluble difficulties."

[Answer] Col. Schmidt was responsible for area aircraft. His position was not as important as he now makes it appear.

[Question] Just the same, he was responsible for the aeronautical infrastructure of all of our aircraft.

[Answer] He left the service as an avowed supporter of American planes. I am not familiar with the second case; but the procurement of a new system after decades of neglect of course is a project that creates major problems. But the first of the aircraft will not get here until the fall of 1987. Until then, the pilots and the technical personnel will be in training. None of these things present us with insurmountable difficulties.

[Question] Just recently another Swedish Draken plunged into the sea. Aren't you afraid that crashes of this sort might take place in Austria as well ? What sort of a crash quotient would cause you to take the consequences as a cabinet member and admit that the Draken purchase was a flawed decision ?

[Answer] The fact that accidents can happen in aviation has no bearing on the decision to engage in air space surveillance. Under these circumstances I cannot offer a guarantee that no Draken will ever crash on Austrian soil. But the most recent crash illustrates the entire safety issue extremely well. The Draken crashed because the Swedes were using it for a different purpose than we. They were using it as a low-level, ground support attack aircraft and so on. The causes of accidents are almost never technical but rather the result of such daredevil maneuvers.

[Question] Of the 600 Drakens produced thus far 123 have crashed.

[Answer] My experts have looked into every one of the Draken accidents. The reason for them is the specific type of training programs conducted by the Swedish air force. The Finns, who are using the Draken for surveillance as we are, have not had a single total failure yet.

9478
CSO: 3620/639

MILITARY FEDERAL REPUBLIC OF GERMANY

CRITICAL STUDY OF CIVIL DEFENSE EFFORT REVIEWED

Bonn DAS PARLAMENT in German 22 Mar 86 p 12

[Review by Wilfried von Bredow of book "Zivile Verteidigung im Rahmen der Gesamtverteidigung. Aufgaben und Nachholbedarf der Bundesrepublik Deutschland" [Civil Defense in Terms of Total Defense. Tasks and Accumulated Needs of the Federal Republic] by Juerg von Kalkreuth [Series: Internationale Politik und Sicherheit, Vol. 18] Nomos Verlag, Baden-Baden 1985; 234 pp, DM 29.-]

[Text] Although the debate concerning the shortcomings and alternatives of Western military strategy has become more wide-ranging and vociferous of late, it has hardly touched on the issue of civil defense at all. In the FRG as in many other Western nations, there seems to be a taboo regarding this particular aspect of planning and organizing for a possible future conflict.

A study undertaken by a retired Bundeswehr general aims to point up the existing shortcomings in FRG civil defense and to submit suggestions for thoroughgoing improvements to public scrutiny. The book's basic argument is that it would scarcely be realistic to try to protect the civilian population against the ravages of a major nuclear war but that the chances are good to afford at least some protection in case of conventional warfare. This view is also expressed in an introduction to the book by Ulrich de Maizière, a former Bundeswehr chief of staff.

The study is divided into seven chapters. Following a prefatory note in which the author states his essential purpose, he turns to the role assigned to civil defense in the total defense structure. The interesting thing here is that the national and international NATO agencies have laid down an extremely complex nomenclature and highly differentiated regulations on who does what in civil defense which almost makes one think of a kind of ghost bureaucracy. In any event, most of these things only exist on paper.

As compared with the civil defense efforts of the neutral nations of Western Europe in general and Switzerland in particular, this type of paper planning hardly amounts to anything at all. Even though von Kalkreuth resorts to the circumspect language of a general staff officer, he does reach similar conclusions--which is why his primary focus is on

ways of improving the system. The book's third chapter is devoted to a discussion of various models for a total defense staff under the FRG government. The subsequent chapters deal with principles and regulations applying to civilian-military cooperation--first in general terms and then on the basis of case studies.

Anyone who has a bit of imagination will feel somewhat uneasy reading the case study entitled "Civilian Population Movements and Military Mobilization" in which the author quite dispassionately discusses one of the central and seemingly unresolved problems (given the present state of military and civil defense planning) connected with a possible national emergency, as defined under Article 115a.

In the final chapter, the author summarizes his proposals for improvements once again. This is followed by an appendix containing charts and tables, excerpts from basic documents (e.g. legal provisions) on civil defense and a none-too-comprehensive bibliography for obvious reasons.

Both the author and the Ebenhausen Science and Policy Foundation which underwrote the project hope to overcome the problem-repressing silence which surrounds the civil defense issue. Civil defense, in fact, plays a major role in coping with the continuing changes in deterrent strategy occasioned by constant innovation in miltary technology. In addition, the book aims to make a decisive contribution to the--albeit none-too-profound--debate concerning the best possible Western strategy for preventing war. At the same time, it means to motivate the experts in the direction of improving the existing infrastructure.

In the short and medium term, as far as I can see, the author will succeed in bringing about the latter goal in view of the fact that his suggestions appear to be both efficient and cost-effective. But as for his primary goal, he will not reach it at all or at best indirectly or in the long term--because even if the language and makeup of this study were such that a non-professional reader could make more sense of it, the abovementioned taboo connected with the issue cannot really be overcome with the help of technocratic proposals, however substantive and serious-minded they may be.

But perhaps this would be too much to expect of this study which is at least capable of heightening the awareness of both the civilian and the military experts on the prevention and the consequences of war with regard to the problem of civil defense within the conetxt of total defense--a problem which has been neglected far too long already.

9478
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MILITARY FEDERAL REPUBLIC OF GERMANY

JENNINGER SEES ENLISTMENT OF WOMEN IN SERVICES AS FEASIBLE

West Berlin TAGESSPIEGEL in German 19 Dec 85 p 6

[Text] Speech by the President of the German Parliament at the 28th Commanders' Conference

Bundestag President Jenninger has publicly endorsed the concept of accepting women into the West German Armed Forces. In a speech to senior military officers at the 28th Commanders' Conference in Karlsruhe, Jenninger said that this cannot be a taboo subject for discussion. The draft for women is out of the question, but there are many possibile assignments in the Armed Forces - in the administration, for example - which women could pick up. He is convinced that a consensus in public opinion will be reached.

The General Inspector of the Armed Forces, Altenburg, indicates that in the current planning period - into the 1990's - access to the Armed Forces for women is not expected. At the same time he poses the question, whether the heavy burden of military service should be borne by only a portion of the population. It must also be questioned whether the military can affort to reserve the opportunities for career advancement for men only. Altenburg reports that he has heard from the experiences with women in the American military, and the women are more persistent, tougher, and more tolerant and can bear greater drudgery. Opinion polls in West Germany would indicate that the number of women of corresponding age groups who are interested in service in the Armed Forces is over 70%.

Jenninger, who spoke out in favor of participation in the American plans for a missle defense system (SDI), referred in the following discussion to the "existentialist subject" of declining birth rates in West Germany. He stated that this extremely difficult problem is not being discussed with the necessary seriousness. He does not see enough attention paid to it in public discussion.

Earlier, in his presentation, Jenninger placed special worth on the idea that peace is firstly and above all secured by the Armed Forces and its soldiers, "and not by any movement which proclaims itself as a peace movement."

13071
CSO 3620/0193

MILITARY FEDERAL REPUBLIC OF GERMANY

FIRST WARTIME HOST NATION COMMAND ORGANIZED

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 15 Jan 86 p 3

[Article by fy: "Support for American Troops"]

[Text] Bonn, 14 January--In the presence of Defense Minister Woerner and of American Ambassador Burt, the chief of staff of the army, General Sandrart, assigned the first unit of a new large-scale formation to the 3d military district command. This is Support Command 3 of the so-called "Wartime Host Nation Support" (WHNS). This is the designation of a large-scale unit comprising more than 93,000 German soldiers, which will be mobilized in case of crisis of war, to support 6 additional American divisions, which are to be sent to Europe in case of war. The Federal Republic obligated itself to establish these support components in an intergovernmental agreement made with the Americans 15 April 1982. The object of this agreement is to assure as rapid a reinforcement of the effective combat forces in Germany as possible in case of crisis or conflict.

The American quid pro quo consists of the unilateral declaration of intent to reinforce the Seventh Army, stationed in Germany, which presently comprises a full 5 divisions, by a further 6 divisions in such a case. To make this possible the American forces are presently building up depots which contain the entire allowance of weapons and material for these 6 divisions. The equipment for 4 divisions is already completely in storage, as the deputy chief of staff of the army, General Kasch, has reported; the equipment for the 2 remaining divisions will be stored in the depots distributed over the Netherlands, Belgium and the Federal Republic during the next 2 years.

The intention to make the German WHNS organization (which, with 93,000 soldiers and additional civilians, will in wartime assume the proportions of an army corps) operational by 1987 could not, as Kasch conceded, be carried out. According to him, structural problems have been decisive in this result. After the build-up had started at the end of 1982, a pause had to be introduced, which may not be ended before 1987. Kasch was unable to say when the German support organization would be operational; it will take several more years, according to him. The organization will be formed into 6 support commands, which will be assigned to the 6 military-district commands into which the Federal Republic is divided. The first of the support commands was assigned to the 3d military district on Tuesday in Cologne. These commands represent command activities, which are to plan, guide and coordinate, and to assure close cooperation with the Americans. Each support command will be led by a staff having only

32 soldiers and 9 civilian workers in peacetime and growing to more than 200 soldiers in case of war. In peacetime the command will be headed by a colonel, in case of war by a brigadier general. Its command echelon corresponds to that of a brigade. Nine battalions (as well as "further units") belong to each command, among them 4 transportation battalions, 2 ammunition-supply battalions, 1 fuel-supply battalion, and an ambulance battalion.

Among the military services to which the Bundeswehr is thus committed as regards the Americans are equipment transportation and transshipment, decontamination (disposition of nuclear-contaminated personnel and equipment), transport of wounded, security of American facilities, airfield maintenance, combat bridge-building, and weapons and equipment maintenance. Among the civil-sector services are rail, road and river transportation, maintenance, prepositioning of teleprinter and telephone facilities and of infrastructure plant, rations, and prepositioning of mobilization-reserve equipment.

In peacetime the German Wartime Host Nation Support Organization comprises only 1,050 soldiers and 760 civilian employees. There are in addition 650 military-training billets for reservists. It is remarkable that the creation of this reinforcement, which is important for the defense of Europe generally, is not organized as a NATO task, but rather is being carried out on the basis of a bilateral German-American agreement, under which both sides are assigned half the costs. In addition to investment outlays of 650 million marks apiece for Bonn and Washington, 70 million marks in annual operating expenses fall to the German side. Through 1985, 150 million marks of the investment had been spent on the German side.

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CSO: 3620/571

MILITARY FEDERAL REPUBLIC OF GERMANY

WOERNER EXPECTS GREATER NUMBER OF EXTENDED TERM VOLUNTEERS

Munich SUEDDEUTSCHE ZEITUNG in German 20 Dec 85 p 6

[Article: "Woerner To Recruit More Volunteers"]

[Text] Regular Duty Hours and Financial Incentives Promised at the Commanders' Conference

West German Defense Minister Manfred Woerner wants to head off the threatening problem of personnel shortages in the Bundeswehr, which are a result of the dropping birth rate, not only by lengthening the service obligation of draftees but through increased recruitment of enlistees. There should be 40,000 volunteers next year with the longest possible enlistments.

Speaking to the 455 generals, admirals and colonels at the 28th Commanders' Conference, which ended on Thursday (19 Dec 85), Woerner announced measures being taken to make the "Job: Armed Forces" more attractive. This means that the commanding officers have to stimulate motivation in the young soldiers and give them some insight into the reasons for their activities. It is unacceptable for recruits to have a lower opinion of the Armed Forces after they muster out than they had before they were called up.

Specifically, Woerner listed regular duty hours, improvement in the offerings in training, and financial incentives. In a press conference which followed, Woerner promised that the premium for extended-enlistment soldiers, which was discontinued in 1980 for financial reasons, would be reintroduced if an improvement in the personnel situation is not achieved between 1986 and 1988. Woerner continued, saying that in the coming decade the Armed Forces will have to compete with industry for qualified manpower. The assistance for moving families of reassigned soldiers should be increased.

Besides the financial measures, the defense minister mentioned improvement in the human climate in the troops as an important contribution to improvement in fighting worth. Like General Inspector Wolfgang Altenburg, Woerner pointed to the important function of the reservists. In the future, 15,000 reservists will be drawn to training annually.

According to the German Press Agency, Woerner left no doubt in front of the commanders that the biggest current weaknesses are in the deficiencies in

modern ammunition, electronic warfare, night combat ability, and in the command system as well as in reconnaisance. Here a quick remedy has been found: the minister was pleased to announce that the budget cuts for operations and training have been set aside. Research and development outlays have been increased by 40 percent since 1983. NATO General Secretary Lord Peter Carrington painted an optimistic picture of the future of the Western alliance before the Bundeswehr Commanders. He pointed to the military improvements in the alliance. "NATO is in good shape," stated Lord Carrington. It has become stronger. Carrington underlined the need to further strengthen conventional weapons. He emphatically endorsed a worldwide ban on chemical weapons. He is cautiously optimistic about further progress in the disarmament conferences.

Reuters reported that Woerner called upon the European partners to develop defensive measures against the Soviet short-range nuclear arms aimed at Europe. The problem with short-range weapons could get more intense should the American SDI program for defense against long-range atomic weapons be realized. The Europeans need to consider just how they can master this growing threat by expanding their air defenses.

13071
CSO 3620/0201

MILITARY FEDERAL REPUBLIC OF GERMANY

NAVY TRAINS ELITE UNDERWATER DEMOLITION, SEAL COMBAT UNITS

Munich SUEDDEUTSCHE ZEITUNG in German 4 Jan 86 p 8

[Article by Kurt Kister: "Swordfish in Murky Water. Hard Training and Claim as Elite: How the Two Special Naval Units Are Trained"]

[Text] At this time of the year the water in the Baltic Sea is leaden gray and dull in the Bay of Eckernfoerde. Even the sky over the bay is virtually the same color as the sea. Back on the horizon the line between water and air blurs, it gives the appearance of a single gray surface. Anyone who must be outside feels the cold from a light wind. The voice of Lieutenant Commander Uwe Stein interrupts the thoughts of the visitor who has arranged to view the landscape through the window from his warm chair, saying: "...and thus almost all who can dive at present are also outside." According to the commander of the mine clearance company, mine clearance diving is, after all, not "clear weather" business: "Drills and operations cannot be timed only for the warm season."

Lt Commander Stein commands a unit which enjoys a rather exclusive reputation in the 500,000-man Bundeswehr. Not quite 100 men are under him, about half of whom right after long and hard training have earned the right to wear a small badge above the right breast pocket. It depicts a swordfish in front of a stylized sea mine and represents the official action badge of the mine clearance divers. The Eckernfoerde diving company is a small but important part of the Federal German Navy's fighting forces, which in the event of an emergency are supposed to conduct offensive and defensive mine warfare in the North and Baltic Seas. Of course, the divers have nothing to do with the offensive aspect, that is, with mining enemy harbors, shipping channels and ocean areas.

Lieutenant (junior grade) Gerd Weber explains that "we recognize two primary tasks, namely explosive ordnance reconnaissance and explosive ordnance disposal." He uses an example to illustrate how a typical mine clearance diver operation looks in peacetime: "Perhaps a fisherman reports to us that somewhere in the sea he has discovered an unidentifiable object." Now there are different ways to identify this "object." A minehunter which is equipped with sonar equipment can be sent out. This equipment emits sound waves which reflect off the object and are picked up on the boat as a more or less characteristic signal. A remote-controlled minisubmarine, which with

a television camera transmits pictures of the ocean bottom to the minehunter's operations center, provides another method. If, of course, this form of high tech fails or is being used elsewhere, then the mine clearance divers must get involved and go in.

Mine clearance diver officer Weber says that "anyone who has dived in the Baltic Sea knows that there are many places where visibility is zero." Then, more or less over the stated location of the object, the divers move along the line of a buoy slowly into the murky depths. In order to finally locate the object the "circle attack method" can be employed. A line is attached to the diving buoy's weight and let out in its entire length. Then the diver swims in a circle around the buoy and hopes that the object being sought gets caught in the line. If this does not happen, then the buoy must be moved or the radius of the circle enlarged.

Mines Are Recovered

If on his own or guided by the intelligence from the minehunter the diver has finally reached the object he must identify it. In relatively clear water this is not a problem, but quite another matter at zero visibility. With the steadiest hands possible the frogman then feels the surface of the explosive device in order after surfacing to be able to describe it precisely to his mission controller. Weber says that "if we have learned in one way or another what kind of "object" it is, we will have then completed explosive ordnance reconnaissance and can tackle explosive ordnance disposal."

The type of disposal depends on what was found. A training mine, for example, which does not contain an explosive charge, is simply recovered with a cable. Of course, if what was found is explosive, if, for example, it is an unexploded torpedo from the war or one of the still numerous armed mines, then a mine clearance diver rating with the appropriate training goes down in order to disarm the dangerous object, that is, to deactivate the existing ignition mechanism. If recovery and subsequent disarming appear relatively safe, then the explosive device is lifted to the surface. If this is too risky, then the diving artificer attaches a demolition charge which following his return to the boat is detonated by command firing.

The navy's active mine clearance divers, who are barely 50 in number, must, in view of the operational demands, complete an arduous training period. Lt Commander Stein says that "anyone wanting to join us must have committed himself for at least 4 years and be completely healthy." After an 8-week scuba diving course at the Technical Naval School in Neustadt/Holstein those who have completed this training with a least a grade of 3 can join the mine clearance company. There they expect 4 additional months of training and tests in which the focus is clearly on diving and swimming. Lt (jg) Weber says that "swimming, long-distance diving, equipment knowledge and a great deal of athletic activity shape the mine clearance diver. The sea must quite clearly be approached as if one wanted to turn into a fish." Among the possibly 30 examinees in a course there are for the most part no more than 10 who have the stuff to become a fish with arms and legs in a neoprene suit.

Staff sergeants (who are called chief petty officers in the navy) and officers of the mine clearance divers must complete additional courses beyond this "basic training," chiefly in order to train in handling explosives of all kinds and disposing of them. Moreover, many of them also still wear Ranger and Paratropper badges. For the continuing courses the seamen must leave Eckernfoerde to go to schools which are distributed throughout the FRG, for example the NBC [nuclear, biological and chemical] School in Sonthonfen, the School for Engineering Units in Aachen or even the Airborne School in Altenstadt.

Of course, there are also training opportunities in the navy barracks in Eckernfoerde. Especially "impressive" in this respect is a sizable teaching and study collection of a large number of shells, mines, torpedoes and bombs of all kinds. The exhibits of this martial display are used to familiarize future and trained mine clearance divers with the characteristic properties of these objects which they can encounter in their wet career on the bottom of the sea, as well as on land in offshore areas, so that they can locate, identify, disarm, recover and detonate them. The objects which must be recovered, moreover, do not always include only explosive devices--as demonstrated by the section of a Tornado control surface in the company building. In the course of its 21-year existence the mine clearance company had to raise to the surface many an airplane wreck. The Bundeswehr divers also occasionally provide official aid to the police in recovering divers or swimmers who have met with an accident.

Anyone who takes a walk in the barracks on the Bay of Eckernfoerde can, of course, in addition to the swordfish in front of the mine, see yet another action badge on blue or green cloth, which is likewise equally uncommon: It is also a swordfish, in this case against a background of a stylized parachute. Those who wear it claim--at least after a certain warmup period in private conversation--to have completed the most comprehensive, most diverse and the hardest training of all the soldiers in the Bundeswehr and always to have to maintain this level of performance: These are combat swimmers. And in fact, anyone in the army who asks about the military elite, never gets the generals, occasionally the airborne landing personnel and mountain infantry, frequently long-range reconnaissance scouts and almost always the combat swimmers. Their number is even smaller than that of their neighbors, the mine clearance divers. The combat swimmer company has three combat units with 15 men each.

It is not very easy to say where the mythos comes from which wafts around the company. It certainly is related to the fact that combat swimmers must satisfactorily complete virtually every kind of special military training which gives training in the individual skills of unidentified infiltration, the destruction of material, killing people and surviving under the most difficult conditions. This also presupposes that every active combat swimmer is capable of peak athletic performance both in and out of the water. Water training, for example, includes an endurance swim from Kiel to Olpenitz, covering a distance of 30 km. The distance must be completed in 4 hours including an overnight somewhere on the beach--all of this, of course, with

full equipment. Almost all combat swimmers have also completed the free-fall course. In this they must prove that they can jump from a height of several thousand meters in a free fall from an airplane and not pull the ripcord of the parachute until several hundred meters from the ground--a technique which lowers the probability of early detection of the jumper in the air.

Company commander, Lieutenant Ulrich Koehler, reports that for several years there have been scarcely any recruitment worries in regard to the combat swimmers. Koehler says that "the failing rate is to be sure quite high, but we get enough volunteers who are attracted to us." In this, in the opinion of the lieutenant, the "attractiveness of the service" plays a role, but no doubt so does the image of the company. Koehler says: "Of course, even in training we are hard on the boys, we show them roughly twice a week where their physical performance limit is. A combat swimmer, who must depend on himself alone in the event of an emergency, must be able to struggle hard." One thing is certain: Anyone who after 1 and ½ years has completed all the necessary courses has really struggled hard as perhaps no others in the army.

"Rambos" or Realists?

In terms of military concepts the combat swimmers' mission is predominantly offensive. Of course, they are also employed to protect their own naval bases against enemy combat swimmers. But mainly they are to combat military targets on or close to the water. These can be ships which are eliminated from combat with limpit mines (French combat swimmers were involved in the sinking of the Greenpeace ship Rainbow Warrior...). Along the coast there are radar stations, airfields, rocket emplacements--they are all possible targets for the rangers from the sea. A typical drill for combat swimmers may include a night landing of a team from a boat or helicopter into the sea and approaching the coast with the help of a silent diving device which produces no air bubbles. On land the men then penetrate likewise as soundlessly as possible a simulated radar position, "kill" guard details with automatic assault rifles with silencers or with a knife, place their charges and disappear back into the sea after detonating them.

To the visitor this all sounds a little bit as if Lt Koehler were commanding a hord of Rambos with the official flag on the sleve of their wetsuits. He promptly rejects that, saying: "No, we do not need daredevils, but rather realists who know what they can do. To complete a mission successfully in our case also means not getting caught. True, in this our methods are a bit different than in the rest of the army."

The self-assurance of the combat swimmers was elevated a bit by the Falkland war--if that is at all possible. There, their English comrades from the Special Boat Squadron (SBS) carried out a whole series of undertakings which cost the Argentinians a great deal of blood and material. The exchange of experiences among allies is emphasized in Eckernfoerde. There is a permanent liaison officer from the U.S. Navy's special unit, the SEAL's (for sea, air land), with the combat swimmers. Frequently there are joint exercises with Englishmen, Frenchmen, Danes and other nations which support similar units.

The Hardthoehe, too, appears to be satisfied with the performance level of the combat swimmers. In the official journal MARINE it says in intimitable military officialese that "the striving for efficiency to achieve the greatest possible successes with a minimum of personnel and material" is making "the combat swimmer into a cost-favorable full-value naval military resource." The commander of these human naval military resources, Lt Koehler, responds first with an economical argument to the question whether his people view themselves as elite: "Yes, because if I invest so much time and expense in a soldier, he is indeed an elite soldier." And naturally: pride in ability and performance contributes to cultivating a feeling of elitism. Koehler's comrade from the mine clearance divers, Lt Commander Uwe Stein, says it is difficult to acknowledge in this army that you are a member of the elite. Stein says: "We have always been taught not to display a flag, but now if suddenly the whole world wants to see elite units again, we will vigorously work on our purposely subdued feeling of self-esteem." Of course his men would have an advantage there: "If some time later it is not so opportune as it is today to be better than others and also to how it, then we will simply dive away again...."

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MILITARY NETHERLANDS

READINESS, CAPABILITY OF 1ST NETHERLANDS CORPS ASSESSED

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 31 Dec 85 p 12

[Article by Siegfried Thielbeer: "The 1st Netherlands Corps and the Bundeswehr German Armed Forces Can Work Well Together."]

[Text] Dutch soldiers? They are resentful, they have beards and long strands under their hairnets, and they don't salute their officers. The country is not on the NATO front line and is undermined by pacifism, and in any case they do not contribute enough towards the common defense of the West. This is roughly how people all over view this ally. Knowledgeable people have a noticeably different opinion. The commanders and officers of the 1st. German Corps give consistent high marks to the Dutch soldiers who are their neighbors in the north German Lowlands. This judgment was again confirmed at the fall maneuvers, in which the Netherlands armored brigade which is stationed in Germany, and another division from Holland separately took part. Looking the other way, the commander of the Netherlands 1st. Corps, Lieutenant General Loos, and his division commanders who observed the "Defiant Saxon" maneuver, had a high opinion of the German soldiers. General Loos reported that when he visited his soldiers, there were only a few left with long hair. First impressions last long, though...

In a crisis situation, the Netherlands Corps would be assigned to the commander of the Army Group North (Northag), and would therefore be the northern neighbor of the German 1st. Corps. It would have the task of protecting the area south of Hamburg with its two active divisions and the reserve division. There is great satisfaction on both sides with the capacity for cooperation and interoperability. There are neither problems with language - almost all Dutch speak German and English - nor with the tactical fundamentals or common use of material. The Dutch are almost completely equipped with the same weapons as the German soldiers - they run 900 modernized Leopard-I and Leopard-II tanks and 2000 armored personnel carriers, and fire the same ammunition out of over 300 tank cannon. The German soldiers have more difficulties with the British soldiers bordering on the south, and the Americans in the Bremen area. Cooperation with the German Territorial Command North, which will be responsible for insuring passage for the Dutch soldiers, is characterized by both sides as excellent.

The exchange of troops is practiced often, German and Dutch units often train together. Officers visit the partner's schools, where faculty are also exchanged. The methods of leadership are thereby consistent between both parties. "A Netherlands officer could take command of a German company or even a brigade at any time without any difficulty," said an officer from the German armored brigade. The only problem that General Loos could think of, after a long time, was that "our soldiers prefer to drink coffee and do not care for the German peppermint tea."

There is only one brigade of Dutch stationed in Germany in peacetime: the 41st Armored Brigade in Seedorf. The two other infantry brigades of the 4th Division are housed in the Netherlands, as are the armored brigade and the two infantry brigades of the 1st Division. The route to the deployment area is over 200 miles clear across northern Germany. Would these troops, which are somewhat weighted down with cadre, make it in time in a crisis situation? No doubt, the Dutch would also like to have a greater peacetime presence in Germany. General Loos explains the historical background to this situation: originally there were only the British and the Americans stationed in this area, dating back to the time of the occupation - and they took the existing barracks facilities. Only after the Berlin crisis was a Netherlands brigade also moved forward.

Practically speaking, there is no room for a second brigade, according to Loos. In addition, a move - with all the necessary construction - would cost a lot of money, which the Dutch would have to come up with themselves. When weighing the alternatives of stationing a second brigade in the front area ("What does that really achieve?") or spending the money on equipment for the Dutch troops, it was decided in agreement with the Nato commanders to give precedence to the equipment. The brigade in Seedorf has been brought up to full combat strength and is equipped with additional artillery. A large number of rail flatcars for transporting armored vehicles has also been acquired, to insure quick transport of the Netherlands troops independently of the West German railroad.

The rapidity of mobilization and the deployment in the combat zone have been tested many times, most recently on a large scale in September 1983. Two Netherlands divisions and an American one flown in from Texas had trained in Germany then. Loos says that too often they cannot do this because of the burden upon the civilian population and the conditions of the exercise. In any case, full deployment was achieved in three days, as planned. The fact that the Netherlands are dependent to a great extent upon reservists to fill out the units does not need to be a disadvantage. "Our country is very small and densely populated. The call-up only takes a few hours." The reservists are assigned as a group as in their old units: one company per battalion. The team spirit of the troops is important. The filling-out of the reserve division naturally takes somewhat longer, but thanks to the presence of the division staff and the brigade cells, it can also be accomplished quickly. Call-up exercises such as "Thunderclap", when they are mobilized for three days without any advance warning at different times, show that 82 percent of those called-up also show up - "and that is in peacetime, when the order perhaps does not need to be taken that seriously."

German observers confirm that these soldiers close ranks to perform their duties and are prepared to make sacrifices, and ready to be deployed in rain and snow. It is of decisive importance here, as with the German soldiers, to avoid make-work and idleness. "If something does not work," according to General Loos, "it is almost always the command's fault."

It turns out that they are considering an extension of time in service in the Netherlands, too. The reason here is not the drop in births - only about half of the 100,000 available for the draft are needed - but instead the requirements of military-technical training. Expert opinion believes that 14 months of duty (four for basic training and ten in the active company) is insufficient for many of the complicated weapons systems. They would rather have a flexible system (between 10 and 20 months).

Such a system fits in with General Loos' ideas, too. With the modernization of equipment, introduction of new tanks and vehicles, of radar and communications gear, he is "overall not unsatisfied, even though there are things to be desired." When he looks at the balance, he sees that given the modern equipment for battle and the quality of his soldiers there is "a good chance they can achieve a successful defense."

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MILITARY NORWAY

AIR FORCE SHORTAGE OF PILOTS, COMMANDERS EXAMINED

Helsinki HUFVUDSTADSBLADET in Swedish 1 Mar 86 p 13

[Article by Nina Sandas: "Norwegian Air Force Pilots Seek Civilian Jobs"]

[Text] Oslo--There is an acute shortage of experienced pilots for F-16 fighter planes, which has caused a deterioration in defense preparedness. There is an officer crisis in the Air Force and an incipient crisis in the Army. These obvious weaknesses in the Norwegian defense system have been discussed publicly this winter after central NATO sources also expressed uneasiness about conditions in the Air Force.

The pilot shortage, which is especially severe in the case of fighter pilots, is the result of a development that has been going on for a long time. An adequate number of people still apply to the pilot school in Varnes each year. But the civilian airlines are draining the Air Force of experienced capable pilots after they have finished their 8 years of obligatory military service. The main attraction is salaries that are twice as high as those paid by the military.

SAS is the major villain in this context but other Norwegian airlines have also benefited from signing up trained pilots. A pilot costs the military a total of 7 million marks when he has completed his training in the United States.

Some bitterness can be detected among commanding officers when it comes to those who have left for civilian jobs.

"Many have gone through the military pilot training program for the sole purpose of getting a civilian job as soon as possible," was a comment heard during a visit to the Bodo military air base. But they can sympathize with those who have left too, because the wages and other working conditions are deplorable.

Saying Goodbye

Last year an unusually large number of pilots said goodbye to the military. The situation became untenable for the Air Force and it sounded the alarm.

The crisis was described under big headlines in the Norwegian media. And international military publications also took up the subject in reports from Norway.

Exact figures on how many pilots were missing were never revealed. That would have meant totally exposing a weakness in the defense system. But according to reports in the press the Air Force could man only two-thirds of its fighter planes. These are primarily the well-known F-16's of which Norway has acquired 72 during the 1980's (four of them have crashed). It has also been charged that four of the five fighter squadrons had problems meeting the requirements for "operative status."

Defense sources said that the situation was regarded as critical. "Crisis" and "problem" were words that occurred frequently in newspaper columns as recently as a month ago. The whole thing was not just a question of getting a reduced number of airplanes off the ground in a future conflict. Efficiency and experience are extremely important qualities in the Air Force and they are in short supply when older pilots leave the service. The Air Force will soon run out of people who can lead and further train pilots fresh out of training school. Experienced pilots are also needed for administrative jobs on staffs and at operation centers.

Allied Distrust?

The officer crisis and the pilot shortage could have other very serious consequences, according to defense sources. It could lead allied air forces that hold regular exercises and Norway and are supposed to be sent here if there is a crisis or a war to refuse to subordinate themselves to Norwegian command. In the past this has been a central principle in Norwegian security policy. And in order to maintain that principle it is important to have competent Norwegians manning all levels of the command structure.

This weakness in the Air Force involves Norwegian credibility within the NATO alliance as well as in relation to the Soviet Union and according to the newspaper AFTENPOSTEN this is what created some misgivings among central NATO figures.

In an effort to deal with the acute situation the Defense Ministry recently decided to introduce a kind of bonus system for fighter pilots. On completion of their obligatory service with the Air Force 50 pilots will now be offered around 850,000 marks in extra pay if they sign a new 15-year contract. The sum, which will be distributed over the entire period, must be repaid if the contract is broken. A new proposal to join forces with Sweden and Denmark to offer civilian pilot training was also presented as one way of helping to resolve the crisis in the air forces of these countries and meet the civilian airlines' big need for pilots in the years ahead.

The impression given at the Bodo air base was that the bonus system was just an emergency solution that would not solve the problem in the long run.

"It's just a lottery to count on extra pay when the bonus is limited to 50 pilots."

Major Peter Archer is one of the lucky lottery winners. He was seriously considering going to work for SAS when the offer came through.

"Unfortunately this kind of one-time offer is not enough. The whole military personnel policy needs to be reviewed. Compared to the private sector most personnel categories are far behind. And those of us who are sent to serve in North Norway need extra benefits such as better borrowing opportunities and improved housing standards. It creates big problems for many families if a wife can't get work or the daycare facilities for children are inadequate at a base," he said.

The shortage of personnel and other problems are just as great on the technical side in the Air Force. Major Age Stole, head of the aeronautics squadron at Bodo, said that there were periodic difficulties in meeting the requirement that 70 percent of the planes at the base be combat-ready at all times.

Around 400 technical jobs are unfilled nationwide. It is especially hard to hold onto people with a background in computers and electronics.

A special office in the Defense Ministry now has the job of reviewing and proposing various measures to recruit new personnel for the Norwegian military and keep officers from leaving. The Army also has personnel problems in various sectors, but they are not as severe as the problems in the Air Force.

It no longer gives as much status as it used to to choose a career in the military and consequently the entire personnel policy must be reviewed.

This is a very difficult problem to deal with. The low wages are a feature of all state jobs, but a great deal can be done to improve things without spending a large amount of money, according to Defense Ministry press spokesman Erik Senstad.

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FEW BARRIERS REMAIN FOR WOMEN IN DEFENSE FORCES

Helsinki HUFVUDSTADSBLADET in Swedish 2 Mar 86 p 12

[Text] In theory Norwegian women have been on an equal footing with men for the past year when it comes to careers in the military and the right to perform military service. The defense forces can tempt them with free training but so far there has been no great rush to join the military. About 500 women officers and enlisted personnel are currently being trained or serving in the armed forces.

Storting took the first step toward the present rights enjoyed by women in 1977 when it decided that women should be given limited access on a voluntary basis to military service and defense functions. This was a natural result of the equality debate of the 1970's, a debate that also led to a special law on equal rights.

Up to 1984 women recruits received shorter periods of training than their male colleagues in separate recruit schools. They received no training in the use of weapons. And women did not have the right to perform general military duties.

Volunteers Welcome

The restrictions have gradually eased. The only major difference today is that women are not drafted. But if they volunteer they are welcome.

Since last year Norwegian women have had the legal right to demand military career training and military service on equal terms with thier male counterparts. Military service lasts from 12 to 15 months. Women who volunteer for military service must also promise to obey the rules concerning mobilization and wartime service. The rules are in effect for the same length of time as they are for men. The only special regulations for exempting women from performing military duties involve women's "special life circumstances," i.e. pregnancy and childbirth.

Otherwise no distinctions are made between men and women. On the purely physical level women are assigned to the same camps and barracks as men on the same level. It is true that there are separate sleeping quarters for women but in many camps they share the same sanitary facilities.

The distinction in performing combat duties has also been dropped as a result of Storting's decision. This has not yet been carried out in practice in all branches of the service. The Army expects that all combat units and officer training as well as basic training will be open to both sexes by next year at the latest.

Navy Restrictions

There will be some restrictions in the Navy during a transitional period due to problems connected with assigning a large number of women to naval vessels. But all officer training in the Navy is available to women. The first two women officers graduated from the naval academy last summer.

The last barrier fell last year in the Air Force when women were allowed to compete for fighter pilot training slots. Two women have already been trained as pilots in Norway and several more are in the process of being trained.

A survey showed that almost 500 women, officers and enlisted personnel, serving or still in training, are currently enrolled in the defense forces. Over 2,200 women would report for duty in the event of a mobilization.

"There are still so few women with military training in the service and in the reserves that they do not have much importance with regard to Norwegian defense," said Defense Ministry press spokesman Erik Senstad. He felt it would be a long time before women in Norway are subject to the draft.

Thus many more women will have to choose to serve their country in the military than is now the case if they are to fill the gaps in the ranks that will result from the drastic shrinkage in the eligible age groups that is going to occur in the 1990's.

Chance Circumstances

Hege Aune, a second lieutenant in the medical company of the North Norway brigade stationed in inland Troms, did not deliberately choose a military career, although she can soon be regarded as a veteran with 5 1/2 years of military service.

"I ended up here as the result of a number of chance circumstances," she said.

When she was 20 she applied for nurse's training but was turned down. Instead she entered the military's 1-year officer training school, followed by a year of compulsory service. By then she had enough points to qualify for the military quota for nurse trainees.

The military paid for her training. In addition she received full pay during the 3 years she was in school. In return she and others with a similar military background signed a 6-year service contract. If the contract is

broken she must repay the armed forces for the expenses incurred in connection with her nurse's training.

Second Lieutenant Aune had no qualms about signing a 6-year contract with the military.

"Of course there are drawbacks, for example one has to move from one military base to another at regular intervals. I came here to North Norway in January from the Oslo district. But the advantages outweigh the negative aspects. My work is varied and I am always meeting new people," she said.

Mild Jokes

She has not encountered prejudiced or disparaging remarks from male superiors or colleagues. Mild jokes about the physical weakness of women often have to be taken back when men find out that women can do as much as they can.

"I enjoy the atmosphere. But I am not sure I will spend my whole life working for the military. That depends on whether I have a family. It can be hard to combine this life with having small children, when we are sometimes out on maneuvers for weeks at a time. And it would also depend on how a husband would react to the fact that we live under the same conditions and in the same tent with the rest of the group when we are on maneuvers," concluded Lt Hege Aune. Incidentally she will become a first lieutenant this summer.

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ECONOMIC AUSTRIA

DEVELOPMENT OF TRADE WITH EASTERN EUROPE VIEWED

Vienna DIE PRESSE in German 8/9 Mar 86 p 9

[Article by (ho): "The Future of Exports to the East is Uncertain. Austria Fights for Market Position"]

> [Text] It is difficult to assess the future development of domestic exports to the East. In some communist countries, new people are coming to power. Simultaneously, planned economies are beset by many factors of uncertainty, such as falling oil prices. Dr Friedrich Gleissner, chief of the section for trade policy and foreign trade of the Bundeskammer, stated on the occasion of the foreign trade congress "East Europe" in Vienna, that industry will continue to intensify its efforts for the COMECON region.

Gleissner emphasized that COMECON's share in Austrian foreign trade has been relatively stable. In 1955, exports amounted to 9.9 percent, and 11.1 percent last year. Imports made up 9.4 percent and 10.5 percent, respectively. The West European share also remained unchanged, despite integration.

At the beginning of the new 5-year plans for the period 1986 to 1990 there are some uncertainties as to how future business will develop. There are also uncertainties caused by personnel changes which will have an effect in the USSR, especially. In the other COMECON countries there are no such dramatic cadre changes.

Austrian exports to the COMECON area grew only modestly last year. This is exclusively due to setbacks in the USSR and the GDR, where large projects were concluded in 1984. In the other COMECON countries, considerable growth rates were achieved.

The most important market by far in the COMECON area is the USSR; worldwide, it is the sixth most important buyer of Austrian products.

Among Austria's supplier countries, it has held third place for years. The Austrian trade delegate in Moscow, Dr Friedrich Drasczyk, thinks that foreign currency losses due to lower oil prices will be between one-fourth and one-third for the USSR, if the present price level continues. Imports

from the West would be cut back accordingly, and machine purchases would probably suffer most. Western exporters must now expect even stronger demands for reciprocal trade deals with the USSR.

Hungary Became the Second-Largest Purchaser

Due to the strong rise in deliveries to Hungary, this country now holds second place among COMECON buyers of Austrian products. The trade delegate in Budapest, Dr Ladislaus Wagner, is of the opinion that there are no uncertainty factors in Hungary with regard to personnel changes, and that the reform course will be continued unchanged. Reciprocal trade deals, however, play an important role. Austrian export chances are good.

The decrease of exports to the GDR, the third most important market in COMECON, is due to the completion of large projects. However, the trade delegate in East Berlin, MBA Stefan Wratschko, expects a 50 percent increase in Austrian exports during the current 5-year plan.

Exports to Poland were expanded significantly. Trade delegate Dr Walter Resl stresses that deliveries, with the exception of grain, are paid for in cash. In the CSSR, also, Austria managed to further strengthen its good market position last year. Since the country's economic situation has consolidated, the trade delegate in Prague, Dr Benedikt Winkler, expects a loosening of the present restrictive import policy of Czechoslovakia.

After the excellent results in Bulgaria, it may be difficult this year to achieve the export results of last year, opined the trade delegate in Sofia, Dr Andreas Klade. Despite the difficult fianancial situation in Romania, Dr Gottfried Bauernfeind, trade delegate in Bucharest, expects good export results there through personal contacts and marketing.

The problems of Austrian nationalized enterprises are also followed in the East, but no great loss in confidence occurred. The new Voest leadership plans visits to the East bloc countries in order to clarify the situation.

Foreign Trade with COMECON Countries in 1985

	Export in 1,000 S	Change vs. 1984 in %	Import in 1,000 S	Change vs. 1984 in %	Balance of Trade
Bulgaria	2,706,174	+18.3	764,365	+14.8	+1,941,809
CSSR	3,888,223	+11.1	8,328,997	+ 5.9	-4,440,774
GDR	4,413,881	-35.2	2,641,588	+ 4.0	+1,772,293
People's Rep. of Mongolia	20,993	+28.7	1,321	+82.5	+ 19,672
Poland	4,288,518	+26.1	4,773,377	- 5.2	- 484,859
Romania	1,130,534	+ 0.7	1,609,381	- 5.6	- 478,847
USSR	13,409,894	- 4.7	19,150,890	- 2.4	-5,740,996
Hungary	9,162,188	+31.6	8,501,940	+ 4.8	+ 660,248
Total	39,020,405	+ 2.2	45,771,859	+ 0.5	-6,751,454
World total	353,962,448	+12.5	430,969,325	+ 9.9	-77,006,877

9917
CSO: 3620/642

MINISTER OF INDUSTRY TEMPERS PREVAILING OPTIMISM

Rome L'ESPRESO in Italian 1 Dec 85 pp 270-273

[Interview with Renato Altissimo, minister of industry, by Salvatore Gatti; date and place not given]

[Text] In the world of Italian industry, optimism is now in vogue. The end of the long season of balance sheets in the red, the sky-high invoices, the boom of the stock exchange and investment funds that have brought fresh money to businesses have created precisely that "widespread optimism among the ranks of managers" of which Guido Carli speaks, such optimism contrasts however, "with the voices that are raised to warn of the gravity of the situation."

It is certainly not accidental that indeed, in this euphoric climate the Confindustria of Luigi Lucchini has decided to cool the enthusiasm with its megashow, in which everyone from Gianni Agnelli to Ciriaco De Mita are taking part, and which is unfolding in the last few days of this troubled November 1985 at Turin Lingotto. "Our economy is growing very slowly; if we do not wish to resign ourselves to a distressing future, marked by very high unemployment, it is necessary to change direction," is the realistic message of Confindustria; "and it is necessary to do so quickly, because the other countries, our competitors, are already doing it."

Is then the magic moment already over for Italian business? We asked Minister of Industry Renato Altissimo. "I do not truly believe that great optimism makes sense at this moment. It is true that we are emerging from the follies of the 1970's, which upset the Italian industrial system, and therefore even the present modest recovery is an important fact. On the other hand, however, it is true that today the situation is not at all rosy for our industries.

[Question] What is the picture of Italian industry at the end of 1985?

[Answer] It is not a pretty picture. This year in Italy, industrial production is rising by 2.5 percent, in Germany by almost 6 percent, in England by 3.5 percent. We can find some consolation in comparison with France, which is doing worse. Ours, however, is an unhealthy growth, and for many reasons. The most serious reason is that in order to export, in order to hold down prices, our industries forfeit and restrain high profits; they again become undercapitalized (causing investments to fall), thereby jeopardizing their future.

[Question] But at least the favorable course of the labor costs helps them...

[Answer] No longer, unfortunately. After a tranquil 1984, during which the cost of labor per unit produced increased by 5 percent, we are now proceeding at an increased rate of about 7 percent. And also labor productivity, which had increased by more than 5 percent over the previous year, is progressing this year less than 4 points. These are not reassuring figures."

[Question] But can we not say at least that Italian firms have risen from the abyss of the seventies?

[Answer] Yes, but only this. There is no longer an anti-industrialist culture in the country (not even in the unions); profit is no longer vilified; jobs can be reduced to save the industries and the welfarism of the Catholic-Communist bloc is less fashionable. And so balance sheets look better today: businesses again report profits, even if very modest compared to their foreign competitors. Then, the financial situation of businesses is improving, particularly public enterprises that are approaching the level of private enterprise. But in reality this relatively good situation, like the leopard's spots, lacks uniformity.

[Question] Who is going well and who is doing badly?

[Answer] If we look at the exports and imports, we see immediately that a few sectors are doing well, like the textile industry (which this year has already given us more than 10 trillion lire in sales), and the high technology sector, such as machine tools (over 8 trillion lire in sales). But we are losing tens of trillions of lire for energy, for food, for chemicals, and even for means of transportation, an unpleasent surprise of 1985. One cannot therefore be at ease.

[Question] Why?

[Answer] Because the results achieved are fragile. And they are fragile because the atmosphere surrounding business enterprises has remained in large part hostile to their growth. And for various reasons. The first is that the great strangleholds hindering the firms have not been eliminated; the second is that the general situation of the country damages them.

[Question] In what way?

[Answer] There are two very precise causes: Italy's hirh inflation and the extremely heavy public deficit. The first causes production costs, and therefore the prices of our industry's goods, to increase at a rate that is double that of competitors' merchandise; in order to avoid that, i.e. in order to sell the same merchandise at the same prices as the others, our firms forfeit a good part of their profits, and suffer all the harmful consequences for the future.

The public deficit, in order to finance itself, needs the state to issue treasury bills (Bot) and treasury credit certificates (CCT) at high interest

rates in order to attract the public. And the banks, in order to meet the Treasury competition, must offer high interest rates to those who loan them money, which they then give to the enterprises at a very high final cost. Thus our gigantic public deficit ends up damaging industry, which must pay for money three times more than their foreign competitors.

[Question] You say that a few strangleholds that were never eliminated also hinder our industries...

[Answer] Yes. And there are many, unfortunately. It is enough to think about energy: not having built nuclear plants in time means that today, for Italian firms, the cost of the kilowatt is double that of competitors. Not to mention transportation or telecommunications (it takes 2 years to obtain even a modest telex). But the saddest note, the greatest stranglehold, is the labor market.

[Question] Why particularly sad?

[Answer] Because it not only damages industry, but in a direct way also the possibility of creating new jobs. Here is a concrete very recent example: Sears & Roebuck, one of the world giants, submitted an important work order to a company of Rivoli lorinese. In order to assume the commitment, the latter company would have to hire 150 persons for a short time. Since rigid Italian laws, however, do not permit short-term hiring for a specific job, the Rivoli company therefore would have had to retain those 150 people even after the work ended. Since the risk to the firm was excessive, it decided to decline, refusing the deal. The result was that 150 people remained without that work.

"This one instance is like so many others, but the rigidity of the labor market also has negative effects on the young. If a 16-year old boy (a former apprentice) costs little less than a skilled worker with his professionalism, why should the company hire the youth? Thus, Italy, after eliminating the reduced salary for the young, has reached a little envied record in youth unemployment among industrial nations. Should not these strangleholds be eliminated? Is it not clear that should they be eliminated, the economic system would have more impetus and provide more jobs?

[Question] Then those like Confindustria, who ask for industrys freedom from the fetters that hinder it, are not wrong?

[Answer] I would say 'no' indeed, even though it seems to me that even in the trade unions many attitudes have changed. But there are, however, many objectives which Italy must pursue, and rapidly, if we do not want last year's optimism to give way to new calamities for industry and for the country.

[Question] What objectives?

[Answer] There are two types of exigencies; the objectives of the general economic policy and the more specific provisions for industry. On the first front the "must," the absolute priority for industrial policy is to bring Italian inflation within the next 2 years, to levels compatible with those of

competitors: at most to 4 percent. The other general objective is the serious job of both managing the public debt and reducing expenditures to be done with greater incisiveness than required by today's financial laws.

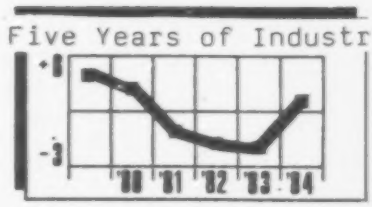
[Question] But aren't provisions aimed specifically at strengthening industry also needed?

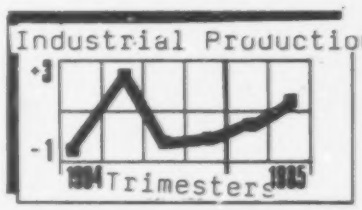
[Answer] They are three, in my opinion. One has already been initiated: the unblocking of Law 675 at the EC (which had doubts about its legitimacy) will, together with other industrial laws, bring useful financing to industry. Perhaps more important, however, is the new fiscal law for the tax exemption of profits that are reinvested in new machinery; this law, already under discussion, must be expanded and made more efficient and provide greater tax exemptions. One can also intervene immediately on the labor front: besides establishing with certainty that the cost of labor cannot increase more than inflation, it is necessary to eliminate many rigid legislative mechanisms, replacing them with more flexible guidelines. It is necessary to introduce the concept of part-time, reduced slaaries for apprentices, work contracts for a fixed period of time, freedom to hire from a designated list, and a new form of wage supplement find that is not permanent (there are companies that have survived this way for 15 years), but temporary.

[Question] A lash to bring about a more American climate in industry...

[Answer] Let's not be too ironic, please. In the last few years millions of jobs have been created in the United States. If, acting on several fronts, we were also to succeed in moving in that direction, it would certainly not be a bad thing.

After several good years, Italian industry is beginning to encounter serious difficulties. The added value, as seen in the first graph, increased (even in 1985 it remained at the level of 1984) only slightly compared to the past. Industrial production, in the last year and a half, increased very slowly, as seen in the second graph.





According to the third graph, the cost of labor per unit produced, after modest increases, is starting to rise rapidly and labor productivity, on the contrary, is no longer increasing very much. (Source: Ministry of Industry)

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CSO: 3528/56

ECONOMIC NETHERLANDS

ECONOMIC PLANKS OF PARTY PLATFORMS CRITICIZED

Amsterdam ELSEVIERS WEEKBLAD in Dutch 15 Mar 86 p 13

[Article by M. Peter van der Hoek: "CDA, VVD and PVDA All Claim More Than They Can Fulfill"; first paragraph is introduction]

[Text] Even with a sympathetic interpretation, the PVDA platform has a gap of about four billion guilders. For the CDA there is a discrepancy that is practically as large between desires and possibilities. The VVD financial platform is financially balanced--but anything can be put down on paper. But why should political parties draw up responsible platforms? After all, the voters don't read them.

Elections are truly remarkable events. The most remarkable thing is perhaps the high turnout of enfranchised voters. Since the abolition of compulsory voting, there has scarcely been one rational reason for the individual voter to go to the polls. After all, his vote has such a marginal influence on the election results that it can in fact be considered to be zero. If on 21 May for one reason or another it turns out that you are not able to vote, this will have no political consequences in The Hague. Seen in these terms, it is also not worthwhile for the voter to familiarize himself with the platforms of the political parties. It would just mean time and effort, while his one single vote has no effect anyway.

In fact, there are indeed scarcely any voters to be found who read, much less study, the platform of a political party. The vast majority do not make their decisions on the basis of information gleaned directly from the party platforms. If voters rely on party platforms at all, they generally do so indirectly, on the basis of information that reaches them via television, radio, newspapers and magazines. As a consequence, it appears plausible to say that the political interest of the voters primarily stems from the large amount of attention given to political events by the media. This assumption is only strengthened by the fact that less than four percent of the population age 20 and above belongs to a political party.

But let us now imagine that a voter can indeed be found who is willing to base his vote on the platforms of the political parties. He could then make use of the comparison published at the end of last year by the Federation of Dutch Labor Unions [FNV]. This would not be of much help. For the FNV, it is less

a matter of a comparison than of recommended voting. It is true that in the publication this is denied in so many words, but the fact that it constitutes recommended voting is seen most clearly in the margin notes made by the FNV in comparing platforms. First of all, it notes that a preference by the CDA for a coalition with the VVD supposedly speaks strongly against the CDA. And secondly, the FNV says that it is not providing any judgement on the degree of reality of the platforms, only to belie this immediately by adding in one breath that the VVD platform does not tally.

Since last week, however, the voter who does want to base his vote on the electoral platforms has a better guide at his disposal, with its origins in the 1984 annual report of the Instutite for Research and Government Expenditures (IOO). In this report, Drs Nico C. M. van Niekerk, the director of this institute and familiar to readers of ELSEVIERS WEEKBLAD as a regular guest columnist, argues that independent experts should let their voices be heard in the "preliminary rounds" of this coming May's Second Chamber elections. He foresees organizing a "deliberating lobby" as a counterbalance to the pressure of interest groups. He has succeeded in doing just this: The editorial board of the publication put out by his institute, OPENBARE UITGAVEN, has heeded Van Niekerk's call by putting together, with the help of independent and specialist authors, a special issue in which the electoral platforms of the three largest parties are compared and carefully examined on the basis of their financial and economic consequences, and in which the pros and cons are weighed.

The results are certainly not comforting. None of the three parties emerges favorably from this comparison. The PVDA is trying to hold on to the electoral gains that the opinion polls are promising it by avoiding serious retrenchment measures as much as possible. Insofar as cuts are inevitable, the PVDA wants to hit not the citizens, but the business world. Even with a sympathetic interpretation of the PVDA platform, it still clearly involves a gap of more than four billion guilders in financial terms. Moreover, the PVDA is promising more than it can deliver. Specifically, the coupling mechanisms cannot be made good without raising the collective tax burden--something the PVDA does not want to do--or by making more cuts than the PVDA platform indicates.

Straws

Similar problems are evident in the CDA platform. In financial terms, it clearly contains a gap of a little under four billion guilders, while the CDA as well cannot deliver everything that it is promising the voters. Specifically, it will either have to raise the collective tax burden or put limits on the reduction of the government budget deficit, or reduce the buying power of civil servants, workers whose salaries are dependent on government wages and recipients of government benefits.

Grabbing at straws concerning a reduction of the work week is not a solution for the PVDA or the CDA, in view of the necessary conditions that would have to be satisfied if a reduction of the work week is to have a favorable effect:

reduction in the work week does in fact in many cases lead to a reduction in the hours of operation.

--The rate of filling vacancies should remain high, but this rate has amounted to no more than one-quarter in the past few years.

--No new labor supply should be elicited. And yet, there are reasons to presume that families want to keep their income at the same level, whereby the supply of women on the labor market will rise more sharply than the work hours of men will fall.

These conditions are so strict and so unrealistic that a reduction in the work week does not appear to be a real solution. But even if it were so, it is still not to the benefit of the PVDA or of the CDA. Indeed, these parties want to leave any change in the work week to the labor and management organizations themselves. In the (unrealistic) case that a reduction of the work week does offer a solution, the ability to implement the platform of both the PVDA and the CDA is thus entirely dependent on the position of labor and management.

The picture is not very different for the VVD. In financial terms, its platform does appear to be balanced, but anything can be put down on paper. The necessary cuts are not concretely and systematically quantified, while it is doubtful whether it will be be possible in the coming cabinet term to allow social benefits and contract wages to grow even further apart every year, irrespective of the desirability of such a policy. Moreover, the VVD platform is inconsistent. On the one hand, the VVD feels that the government should pull back, while on the other hand the same party wants the government to involve itself in a number of areas with greater intensity.

In addition, the process that the VVD followed in drawing up the platform is not in keeping with other proposals by this party. There has been strong insistence from the VVD concerning setting up a deliberating lobby. Only recently, the academic office of the VVD proposed establishing a "council of economic experts" which every year would make a responsible assessment of matters of importance to the national budget--such as the growth rate of national income--in order to then measure the budget proposed by the cabinet up against it.

However, Drs G. de Jong points out in OPENBARE UITGAVEN that there has long been a functioning Commission of Economic Experts within the Socio-Economic Council. The members of this commission are primarily selected on the basis of expertise and independence. Ultimately, a balanced composition is sought in the sense of representatives of the major political currents. De Jong poses the rhetorical question of whether even one of the six members of this commission was actively involved by his party in the drawing up of the financial plank of the electoral platform. If that had been the case, he said, the financial planks of the electoral platforms would have looked quite differently.

But De Jong also wonders what can really be expected of political parties in writing these financial planks, since they too know that there are scarcely any voters who are going to examine them closely. A political party is not a homogenous whole. On the contrary, there are all sorts of groups within political parties who promote specific interests, which threatens to lead to an accumulation of demands without a good setting of priorities.

For this reason, De Jong thinks that it is not at all self-evident that an electoral program contain a well-balanced financial plank. In the competition for votes, a political party does not, after all, always have an interest in this. If a deliberating lobby were to operate within a political party, it would run the risk of being looked upon as puritanical and being called more Catholic than the pope. Its purpose will be primarily to grimly upset illusions, whereby it will make few friends within the party establishment.

Thus, it is certainly no surprise that economic experts are consulted so little by their parties. It could very well be that deliberation takes place outside the parties, but then it is really too late: the platforms are already drawn up.

12271
CSO: 3614/83

INDUSTRY, GOVERNMENT CONCERNED ABOUT PRICE EFFECT ON OIL SECTOR

Greenland Search Halted

Copenhagen BERLINGSKE TIDENDE in Danish 3 Mar 86 Sect III p 13

[Article by Henrik Lerche, Department Head, Price Waterhouse]

[Text] The recent drop in the price of crude oil and in the value of the dollar has caused a considerable change in the expectations our politicians had almost 4 years ago when they introduced the fossil-fuel tax.

When the legislation was proposed in 1982, then-Tax Minister Mogens Lykktoft explained that the goal of this law was to guarantee that society as a whole would receive a reasonable share of the oil and gas revenues. Since the price of these products was so high at that time, it was believed that oil and gas revenues would be much higher than revenues from other branches of industry, as related to the amount of capital invested.

The tax system that was implemented consists of a fossil-fuel tax that is a special tax over and above the usual corporate taxes and fees.

However, the political debate, which has been widely covered by the press, has concentrated too much on the fossil-fuel tax. It seems that many people do not understand, or do not want to understand, that the fossil-fuel tax is a surtax. For companies that recover oil and gas from the Danish section of the continental shelf, the fossil-fuel tax is only one of four systems of taxes and fees that provide revenues for Denmark. According to the government's conservative estimate, these revenues totaled about 1 billion kroner in 1985.

First of all, in addition to the fossil-fuel tax, there is the general corporate tax that has now been increased from 40 to 50 percent. DUC (Danish Underground Consortium) participants must pay this tax, like all other companies in this country.

Secondly, the state receives a royalty fee of 8.5 percent of the total value of the oil and gas that is recovered.

Thirdly, the state coffers also receive a pipeline fee for transporting the oil and gas. The pipeline fee is also based on the value of the oil and gas that are transported.

With regard to the corporate tax, the royalties, and the pipeline fee, the amount of these revenues is proportional to the value of the products that are recovered and transported. As a result, these taxes and fees are strongly affected by drops in the price of oil and the value of the dollar.

If it is assumed that the price of oil is $26 per barrel, a price for which we can no longer hope, and that the dollar rate is 9 kroner, then the state would receive 750 million kroner in 1986 and 840 million kroner in 1987 in fees alone, according to the Energy Ministry.

At a price of $16 per barrel and an unchanged dollar rate of 9 kroner, the fees would drop to 660 million kroner in 1986 and 490 million kroner in 1987.

If the bottom should drop out of the market, so to speak, so that the price dropped to $10 per barrel and the dollar rate also dropped to 7 kroner, then the fees would be reduced to 600 million kroner in 1986 and only 200 million kroner in 1987. The sharp drop in 1987 results from a certain delay in payment of the fees, so that a drop early this year would have its full effect only in 1987.

Naturally, it must be feared that a drop in oil prices will have a long-term effect on drilling activities in the Danish sector. This is already happening for the Arco Oil Company in Jamesonland, Greenland. As we know, it is one goal of our energy policy for Denmark to become more self-sufficient. Thus, the goals of our energy policy and our balance of payments considerations coincide.

Employment considerations also make it desirable for us to continue our drilling activities. The offshore industry and a long series of related industries and subcontractors such as shipyards are highly dependent on the drilling activities.

These circumstances show that we must exercise great restraint with regard to taxing oil.

While Denmark as a whole benefits from a drop in oil prices, since we still must import energy products, this is not true of the oil industry. Eventually, it could have unforeseen consequences.

At the same time, reserves in the Arab countries are and will continue to be so great that these countries will play an important role for some time. They say that when the Arabs cough, the West catches a cold. One of the remedies could be a suitable system of taxes and fees that would promote the utilization of our oil and gas reserves.

The shortage of revenues collected by the government must be covered in other ways. One good way, which has now been proposed in Norway, would be to increase the energy tax at the consumer level to cover lost revenues from producers.

Consortium To Increase Activity

Copenhagen BERLINGSKE TIDENDE in Danish 3 Mar 86 Sect III p 14

[Article by Jesper Elle]

[Text] The state-owned oil company DONG (Dansk Olie og Naturgas A/S) is now facing its greatest challenge to date. Its subsidiary DOPAS (Dansk Olie og Gasproduktion) is preparing to become active in oil and gas exploration in the North Sea. DOPAS will learn this trade during an initial phase and later take on the role of operator. Its teacher probably will be Norsk Hydro or Statoil.

This year, after playing the role of a relatively passive partner in oil and gas exploration in the Danish sector of the North Sea, the state-owned oil company Dansk Olie og Naturgas will take its first step toward a major new active role.

Through its subsidiary DOPAS, DONG will participate as a 50-percent partner in Dansk Operatorselskap (DANOP), along with 20 Danish firms that have joined to form Denerco, which comprises the other 50 percent.

In the negotiations with bidders in the second round of bidding for exploration in the North Sea, which is nearing its conclusion, political provisions have been made for reducing DONG's share in the consortia from 20 to 10 percent, provided that DANOP is included as an apprentice to the operator. The desire is for DANOP to participate offshore in two operatorships in the most lucrative areas of the so-called Central Trough of the North Sea. This means that DOPAS could obtain some of the most advanced people.

During the initial stage DOPAS will provide no funding until a strike is made. Denerco will comprise 10 percent of the consortia that include DANOP, but will pay only 5 percent until a strike is made.

Two companies that have submitted bids in the second round are willing to take on DANOP as a "operator's apprentice." They are the Norwegian state-owned company Statoil and Norsk Hydro, both of which have been through the same learning process.

The training to become an operator will be a great challenge to DANOP.

"We have spent some time examining how we can structure our organization and our big task in 1986 will be to evaluate what we should do at DOPAS once a strike is made. At that time, we will go from a passive role to an active role as a paying partner," director Hans Jorgen Rasmussen of DOPAS said.

Extensive Knowledge Of Oil Exploration

Through the years, DONG has acquired extensive knowledge of oil and gas exploration, its engineering aspects in particular, and now has a much stronger position than it had at the beginning of the gas project in 1979.

"In several areas we still need to learn and receive help from foreign companies, but we will not be totally without knowledge when we enter into close cooperation with one of the foreign companies that will obtain concessions. We have practical experience from the thermal drilling in Ars, but we have never tried to drill into important structures such as an oil reserve."

"We intend to make a contribution that will lead to success. If building up a new operator in Denmark is to make any sense, it must be done with long-range goals," Hans Jorgen Rasmussen said.

If estimates of the probability of a strike hold true, then DANOP and, consequently, DOPAS will be part of a rather substantial oil and gas production.

"On the day that a strike is made, the economic aspect will become a heavy burden. We must be sure that we are able to participate professionally, so that DONG will be guaranteed substantial revenues," the DOPAS director said.

North Sea Production Record

Copenhagen BERLINGSKE TIDENDE in Danish 3 Mar 86 Sect III p 18

[Article by Jesper Elle]

[Text] The production of North Sea oil and gas increases from year to year. The 1985 record will be broken this year and in 1987 the production of oil will increase by 1 million tons. At that time, the production of North Sea energy will cover more than 35 percent of Denmark's total energy needs.

Oil and gas production in the Danish sector of the North Sea set a record in 1985 with 2.9 million tons of crude oil, but this is far from being the last record that will be set.

According to Maersk Olie og Gas, which handles the North Sea production for the Danish Underground Consortium, this record will be edged out this year, when production is expected to be about 3 million tons of crude oil. In addition, it is estimated that gas production will correspond to about 2 million tons of oil.

When production begins in the Dan F Field and others in 1987, oil production will increase to a new record of about 4.4 million tons. Together with a gas production corresponding to 2.4 million tons of oil, the production of North Sea oil in 1987 will cover about 65 percent of Denmark's oil consumption and more than 35 percent of Denmark's total energy needs.

Biggest Project

The expansion of Denmark's oldest oil field, the Dan Field, is DUC's largest single project this year. Construction in the Dan F Field began back in the early summer of 1985 when the Maersk Explorer drilling rig drilled nine production wells. Near the end of the year the Dan Earl began drilling production wells, of which there will be up to 12 at each of the two platforms in the field.

The modules for these platforms, as well as communications bridges, are under construction at Aalborg Vaerft and at Jorgen Bladt A/S. This material will be delivered during the spring.

The last drilling rig is under construction in Japan. When it is put into place in the Dan F Field, it will be assembled with a turnkey treatment plant and a housing unit constructed at Odense Stalskibsvaerft.

These facilities, which are the shipyard's biggest offshore order to date, are special in that as much as possible of the construction, equipping, and testing will be done on land. This will reduce much of the expensive final work that must be done offshore.

In connection with the expansion of the Dan Field, a 24-km oil pipeline has been constructed to the Gorm Field and a 35-km gas pipeline to the Tyra Field. In this way, the gas can be brought from the Dan Field to the Tyra Field, and then transported further to land.

Total investments in the Dan F project are expected to be about 4 billion kroner before production can begin in early 1987.

The Rolf Field

Expansion of the Rolf Field is another of DUC's major ongoing projects. Pipeline connections with Gorm were made as early as May 1985. A two-phase oil/gas pipeline will take the raw materials from Rolf for treatment on Gorm. In addition, a gas line will convey gas from the Gorm Field down to the production wells of the Rolf Field, in order to promote production.

The last phase of construction in the field will be to place a module in the field with firefighting and production equipment. This module is being manufactured at Aalborg Vaerft. This will serve as an unmanned satellite field to the Gorm Field.

Total investments in this project will be about 600 million kroner. Production during the first year is estimated to be 300 to 350 thousand tons of oil. A subsequent drop is expected in the following years.

Tyra And Roar

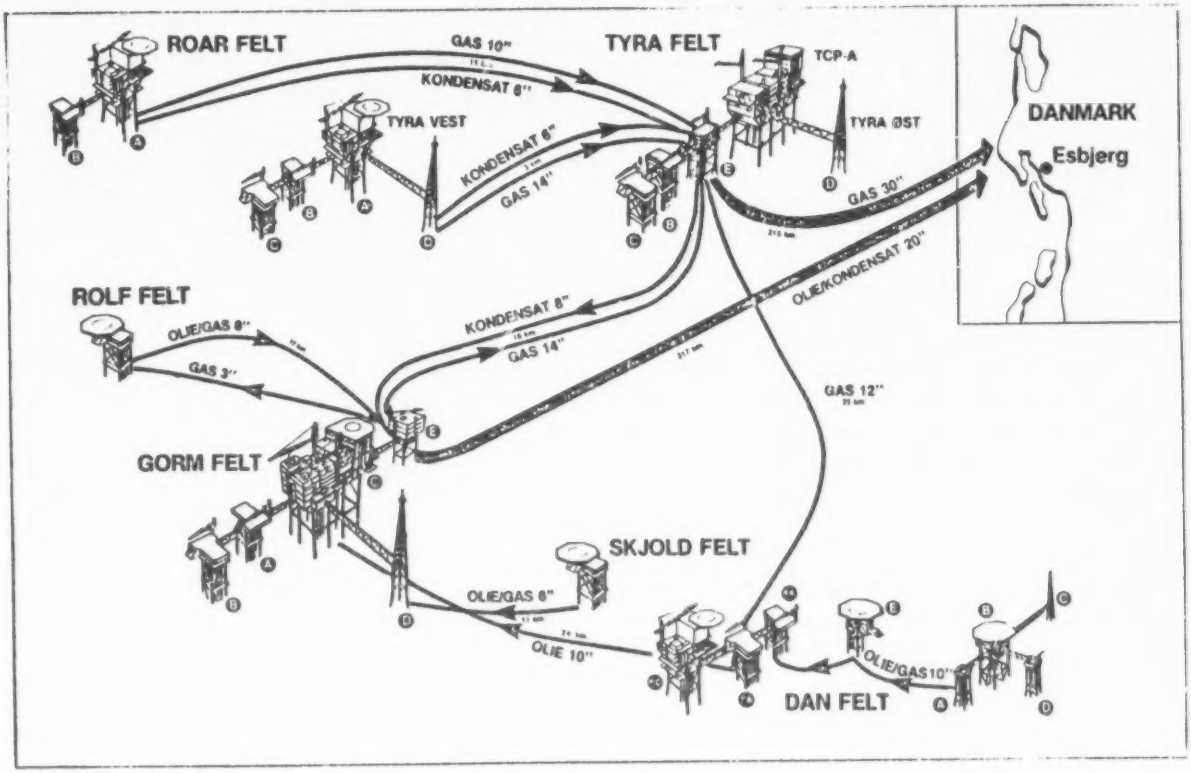
In addition to Dan F and the Rolf project, a project is underway in the Tyra Field, where production of the least valuable product, condensate, will be increased. This is being done to accelerate production and to recover the condensate, which otherwise would remain underground.

The extra module that will be placed in Tyra West and the work required to install it will cost between 300 and 400 million kroner. According to estimates, the increased production will begin in 1987.

In October 1985 DUC sent development plans for the Roar Field to the Energy Ministry. According to these plans, production would begin on 1 October 1989.

Experience from gas production in the Tyra Field will show whether or not it will be necessary to begin production in the Roar Field at a later date.

The Roar Field is planned as a satellite field to Tyra West. It will consist of a single unmanned platform with combined recovery and production facilities. Gas and condensate will be transported through a two-phase pipeline to Tyra West, where the raw materials will be processed. It is estimated that total investments in this field will be about 2.5 billion kroner.



The diagram shows the location of Danish oil fields in the North Sea.

9336
CSO: 3613/86

ENVIRONMENTAL QUALITY FINLAND

BRIEFS

USSR ENVIRONMENT STUDIES--Finland and the Soviet Union have agreed on a program of environmental protection for the remaining years this decade. At the time an agreement was concluded on a practical cooperation program for this and next year. The agreement on the programs was concluded at the first session of the Finnish-Soviet mixed commission on the protection of the environment in Moscow. The programs concentrate on research in the protection of the air from pollution, especially the measurement and prevention of sulphur and nitrogen discharges drifting across the borders, the protection of the Gulf of Finland as well as nature reserves and threatened species. The Finnish side proposed a study on whether it would be possible to set up a nature reserve on both sides of the border between the countries, at Kuhmo and Kostamus. The Soviet Union also offers Finland the possibility of participating in a study of the Baltic Sea on board a Soviet vessel. [Text] [Helsinki International Service in Finnish 1500 GMT 9 Apr 86 LD] /12624

CSO: 3617/95

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JPRS-WER-86-044

9 MAY 1986

West Europe Report

FBIS FOREIGN BROADCAST INFORMATION SERVICE

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CONTENTS

POLITICAL

FEDERAL REPUBLIC OF GERMANY

SPD's Security Policy Position Paper Aims at Compromise
(DIE WELT, 19 Mar 86) 1

Peace Movement Impact Charged, by Ruediger Moniac 1
Excerpts from Position Paper 2

GREECE

Article Questions Reason for Libyan Official's Visit
(I KATHIMERINI, 20-21 Apr 86) 5

Briefs
U.S. Ambassador Blamed 7

ITALY

Various Groups Call for USSR Withdrawal From Afghanistan
(LA REPUBBLICA, 22 Mar 86) 8

Power Sharing Among Coalition Parties Examined
(Tullio Fazzolari, Guido Quaranta; L'ESPRESSO, 23 Mar 86) 9

NORWAY

Paper Comments on Latest Poll Measuring Support for NATO
(Editorial; AFTENPOSTEN, 18 Mar 86) 21

Closer Ties With Europe No Alternative to U.S. Relationship
(Editorial; AFTENPOSTEN, 20 Mar 86) 23

Reporter, Party Leaders Debate Conservatives' Problems
(Odd Inge Skjaevesland; AFTENPOSTEN, 19 Mar 86) 24

PORTUGAL

Perspectives on Relations With Libya Noted
(TEMPO, 28 Mar 86; TAL & QUAL, 4 Apr 86) 25

Cooperation With Libya Urged, by Cartaxo Trindade 25
Interview With Libyan Ambassador, Nuri Mohamed Interview 26

Political Agitation Within UGT Reported
(O DIABO, 25 Mar 86; EXPRESSO, 28 Mar 86) 28

Toward Cooperation With CGTP, by Luis Aparece 28
UGT Leader Blamed 29
Trade Unions' Role Seen Perverted 30

SWEDEN

Carlsson's Less Confrontational Style Worries Opposition
(Sven Svensson; DAGENS NYHETER, 23 Mar 86) 31

MILITARY

EUROPEAN AFFAIRS

Norwegian Defense Analyst Views USSR Nordic Objectives
(Kristian Gerner; SVENSKA DAGBLADET, 27 Mar 86) 35

Austrian Authority Reviews NATO Ground Defense Alternatives
(Heinz Magenheimer; DAS PARLAMENT, 29 Mar 86) 39

FEDERAL REPUBLIC OF GERMANY

Widespread Officer Discontent Over Personnel Management
(Clemens Range; DIE WELT, 27 Mar 86) 58

FINLAND

First Training With U.S. Made ITOW Missiles Reported
(Jukka Knuuti; UUSI SUOMI, 23 Mar 86) 62

Details on Latest Arms Procurement Package From USSR
(Jukka Knuuti; UUSI SUOMI, 24 Mar 86) 66

Briefs
New Helsinki Class Boat 68
Border Guard Getting Boats 68

PORTUGAL

New Army Target-Practice System Described
(DIARIO DE LISBOA, 7 Mar 86) 69

Military Budget Reduction, Breakdown Analyzed
(Gouveia de Albuquerque; TIEMPO, 14 Mar 86) 71

SWEDEN

Export Potential Seen for SAAB Sea Target Missile, Robot 15
(Erik Liden; SVENSKA DAGBLADET, 1 Apr 86) 75

Psychological Defense Chief Urges Balance in Force Priorities
(Sven O. Andersson; SVENSKA DAGBLADET, 25 Mar 86) 77

Nonsocialists Act To Prevent Funds Cut
(Erik Liden; SVENSKA DAGBLADET, 26 Mar 86) 82

ECONOMIC

FRANCE

Rail Industry Problems, Reorganization Assessed
(Jean-Francois Jacquier; LE NOUVEL ECONOMISTE, 14 Mar 86) 83

Sollac Undergoes Organizational Changes
(Claude Bunodiere; LE NOUVEL ECONOMISTE, 14 Mar 86) 85

Changes in Economic Aid to Companies Foreseen
(Jean-Claude Hazera; LE NOUVEL ECONOMISTE, 28 Mar 86) 87

ITALY

FIAT Denies Libyan Intention To Sell Company Shares
(Salvatore Tropea; LA REPUBBLICA, 21 Mar 86) 94

OECD Reports Largest Tax Increase Among Western Countries
(LA REPUBBLICA, 5 Mar 86) 96

PORTUGAL

Briefs
Statistics on Size of Enterprises 98
Figures Show Rise in Businesses 98

SWEDEN

Business Leaders Hope Carlsson Visit Spurs USSR Contracts
(Kaa Eneberg; DAGENS NYHETER, 9 Apr 86) 99

ENERGY

SWEDEN

Energy Minister Dahl on Nuclear Energy, Solar Potential
(Ake Ekdahl; DAGENS NYHETER, 4 Apr 86) 102

SPD'S SECURITY POLICY POSITION PAPER AIMS AT COMPROMISE

Peace Movement Impact Charged

Bonn DIE WELT in German 19 Mar 86 p 1

[Article by Ruediger Moniac: "SPD Opens Door to Goals of Peace Movement on Defense"]

[Text] Bonn--In preparing for its election party congress this fall, the SPD is trying to open its doors to Green and alternative ideas with regard to security policy. But as part of a kind of dual strategy, it is also making an effort not to antagonize those voters who favor a strong alliance with the United States and a NATO capable of defending itself against attack. Evidence of this is contained in the just published draft of a position paper on security policy for use at the Nuremberg party congress which the appropriate party executive committee has approved and sent on to the SPD presidium.

In the position paper, the SPD distances itself from the first use of nuclear weapons, the principle on which NATO's flexible response strategy is based. The SPD comes out in favor of continued FRG membership in NATO but also states that the alliance should remain confined "geographically to the North Atlantic region." In the SPD view, the Bundeswehr should be reduced "in large part to cadre units." A further stated goal is to create a "structural non-aggression capability" in East and West.

Statements by committee chairman Andreas von Buelow, vice chairman Alfons Pawelczyk and committee member Erwin Horn yesterday seemed to indicate that a major dispute betwen the two wings of the committee preceded the adoption of the draft. Buelow characterized the position paper as a "keyhole" for a possible policy to be adopted by an SPD-led federal government which would only need the proper"key," i.e. a favorable outcome of the election. The outcome hoped for by Buelow is reflected in the following passage contained in the position paper: "The SPD accept the urgings of the peace movement, the questions of the pacifists and the initiatives for new security policy ideas." In his brief remarks, Pawelczyk emphasized that the draft contains a clear commitment to the continued integration of the FRG in the North Atlantic alliance. Any

change in Western defense postures could only come about if the East were to drop its "forward defense" strategy.

The draft underscores previous SPD demands for the establishment of a "security partnership" between East and West in Europe and in this connection it also speaks of a community of danger. "Common security," the draft states, would lead to the "demilitarization of the power and systems conflict between East and West" in the long run.

Among the additional demands contained in the SPD position paper are the following: the creation of a nuclear-free corridor in Central Europe; a general reduction in nuclear weapons the absence of which should not, however, be compensated for by new conventional arms; the establishment of a ministry for arms reduction and disarmament and, as part of the Stockholm conference, a "permanent consultative group for European security" composed of representatives of the two alliances and the bloc-free and neutral nations.

Excerpts from Position Paper

Bonn DIE WELT in German 19 Mar 86 p 4

[Excerpts from SPD Security Policy Committee draft: "Overcoming the Blocs to Achieve a Peaceful Order"]

[Text] I. Parameters of a Social Democratic Security Policy.

It is the goal of social democratic peace policy to achieve a political world order based on agreed upon procedures for non-violent resolution of conflicts and on the exclusion of war as a political instrument. It is the goal of social democratic security policy to prevent the use of the tools of military power as long as these have not been removed.

The establishment of a peaceful order in Europe requires the courage to act. As long as no peaceful order exists in Europe as yet, the peace policy of the FRG needs to rely on a militarily assured security policy which is integrated into the partnership with the Western democracies.

The peoples of Europe must resolutely continue to pursue the path of detente which was begun in the seventies in order thereby to defuse the East-West conflict and to carry it on as a non-violent competition between differing conceptions of political order.

As democratic socialists, as Germans and as Europeans, we wish to make our contribution to transforming Europe into a zone of peace until the turn of the century from which no further war will originate and into which no war can be carried.

II. Alliance Partnership in the West

Politically and militarily, the FRG is integrated into the European Community and NATO. As long as the Soviet Union continues to be a highly-armed superpower in Europe, the West Europeans must maintain their ties to the military counterpoise of the United States. The FRG will attain the measure of security attainable to it only in conjunction with its partners and only if and when it can define, integrate and implement its own security interests inside the alliance.

The alliance is geographically restricted to the North Atlantic region. Within the context of regionally restricted and strictly defensive statements of its mission, the alliance should contribute to the prevention of war in its area of responsibility and act to prevent war from spilling over from other crisis centers.

III. Security Partnership in the East-West Conflict

The Europeans in the East and West form an endangered community and are therefore able to ensure their security only on a joint basis. The arms race of the past decades has taught us that vulnerability will not disappear and security will not be achieved as a result of it. One's own security always requires the security of the other. Despite their diametrically opposed political systems, the nations embroiled in the East-West conflict must reciprocally accept their elemental security interests. The resolution of conflict cannot be made a prerequisite to peace. The contest of political systems can only carried on in the form of peaceful competition and not by warlike means...The Europeans in the East and the West can only survive on the basis of a security partnership.

IV. Strategy of War Prevention

The SPD asks that NATO war prevention strategy be updated according to the following criteria:

1. The military strategy of the entire alliance must be in conformity with its political goals, i.e defense capability and readiness for detente.

2. Both with regard to structure and weaponry, the military instruments must unalterably serve defensive purposes and must not run counter to the goal of a peaceful order in Europe.

3. Alliance strategy and forces structures must support rather than impede agreements on a substantial reduction of forces and weapons in Europe. This applies in equal measure to agreements on military options and developments in arms technology.

4. The structure and weaponry of the armed forces must be such as to provide for a credible forward defense. Under no circumstances may they be operationally suitable for a border-crossing, area-encompassing attack.

5. The military forces of the alliance must be in keeping with the principle of sufficiency and not provide any incentive for an arms race.

6. Defense costs in support of the strategic concept must not overtax the social and economic resources of the alliance partners; nor must they be allowed to undermine their social and economic stability.

7. In crisis situations, the alliance must be in a position to resolve such situations by political means and must be kept free from constraints of escalation. The alliance must remove the alleged dependence on the first use of nuclear weapons.

8. The defense structure should reflect the multinational composition of the alliance and confront any aggressor with the armed forces of the alliance partner.

9. The alliance must take the political and military concerns of our neighbors to the East into account. It must therefore take special pains to clarify the defensive nature of its strategy by emphasis on defense starting at the border.

10. We herewith reiterate our Essen resolution: It is our goal to establish a peaceful order in Europe on the basis of a security partnership between the existing alliances and thereby to overcome these blocs.

An SPD-led federal government will urge that certain changes be made in alliance strategy based on the above criteria. The SPD rejects concepts such as "AirLand Battle," "AirLand Battle 2000" and "Deep Strike" which permit the interpretation of being offensive in nature.

The Warsaw Pact and the Soviet Union in particular must make their contribution to the establishment of a peaceful order in Europe. Common security requires the Warsaw Pact to relinquish its forward defense strategy.

9478
CSO: 3620/638

ARTICLE QUESTIONS REASON FOR LIBYAN OFFICIAL'S VISIT

Athens I KATHIMERINI in Greek 20-21 Apr 86 p 8

[Article by "E": "Dangers..."]

[Excerpts] We really did not need this last visit.

Among all the useless officials we receive because we must, Ahmed Shahati, the deputy foreign minister of Libya, occupies a special place.

Why did he come? What did he have to tell us? We have an ambassador in Tripoli and the Libyans have their own People's Bureau in Athens; communications between them is free.

Did he have nowhere else to go? Why did the Libyans run to us after the greatest crisis affecting their country in al-Qadhdhafi's era occurred? Did they not find another friend, another ally, another correligionist, another Arab, another African neighbor? How can one not be reminided of all the movies we have seen and the books we have read, in which someone suddenly appears with a main objective in mind, that of demanding the settlement of some debt? The repayment of something that had been promised to him? Shahati's arrival did not have the usual diplomatic character; he had only been dispatched to remind the Greeks of something...

Of what?

In what have Andreas, the PASOK, or even the PAK involved us?

Andreas' friendship with Arafat and al-Qadhdhafi was particularly offensive and the entire governmental apparatus propaganda always failed to overcome the antipathy that it fomented.

Why did we need them? Why did Andreas need them?

Until now, or until a few days ago, the question seemed rather innocent. But the scene has changed and things are no longer so simple.

On the contrary, they are complicated and dangerous.

This account they are asking us to settle--because no logical observer can doubt that it is an account--who opened it, in whose name, yours, ours, Greece's? And what secret does it cover, something which has never been told us?

Does a free, democratic state exist today which is managed like ours? With a government which in reality renders no account to anyone and keeps all the plans, all the connections, all financial transactions secret, hidden and known only to a restricted circle?

The all-powerful center remains in Kastri, and within Kastri there are Margaret, Menios [Koutsogiorgas], Akis [Tsokhatzopoulos] and a small group who know what the Chamber of Deputies does not, what the leader of the opposition and most within the government do not.

What is done and what is said, agreements that are signed, all the bargaining conducted with one al-Qadhdhafi or another are known by very few, and even fewer have the opportunity to become involved or to intervene.

The truth is unpleasant, but our regime today is a special kind of dictatorship disguised as a democracy, which has allowed the left to direct the mass media and to influence and poison public opinion. And to paralyze all reactions.

Gentlemen of the government, what is happening with Libya? What did Mr Shahati want from us? What do we owe, what have we promised, what oaths have we taken?

It is an open question whether you, Mr Kharalambopoulos, or you, Mr Papoulias, know anything, whether Andreas has designed to inform you. You do not know and you are not ashamed of it, you ignore the consequences because you are too attached to your ministerial positions and are indifferent toward the country and its future. Shahati was sent by his gang to ask for repayment and perhaps to threaten. We "threw him in a bag" and sent him back.

However, the affair continues. Secretly, on the screen of Kastri.

/9716
CSO: 3521/32

BRIEFS

U.S. AMBASSADOR BLAMED--It seems that the U.S. ambassador in Greece has a strange conception of what his behavior should be during the time he is serving in our country. There is no other explanation for his recent attempt to invite Greek newspapermen to the U.S. Embassy in order to present to them an analysis of his policy as ambassador of the United States. Some of his first apologies have already been published, and more are threatened. Instead of practicing such "lobbying" activities, the U.S. ambassador--who indeed claims he knows our country and our people, since he had lectured the U.S. Congress on this subject even before coming here--should rather recommend to members of his family to be more careful, and he himself should stop making public comments on parties and personalities of Greek political life. [Text] [Athens POLITIKA THEMATA in Greek 4-10 Apr 86 p 10]

/9716
CSO: 3521/132

VARIOUS GROUPS CALL FOR USSR WITHDRAWAL FROM AFGHANISTAN

Rome LA REPUBBLICA in Italian 22 Mar 86 p 6

[Text] The international committee for solidarity with the Afghan resistance, chaired by Norberto Bobbio and Carlo Ripa Di Meana, yesterday launched an appeal for international organizations, European Community organs, and also Italy to officially recognize the Afghan opposition forces as equivalent to a provisional government.

At a meeting in Rome on the occasion of International Afghanistan Day, Senator Bobbio and EC Commissar Ripa Di Meana stated that it is more necessary today than ever to push the mobilization in support of Afghan resistance to the Soviet occupation. "It is necessary," said Bobbio in the course of his speech, "that the denunciation of the outrages carried out daily by the Red Army in Afghanistan do not diminish in any of the international forums." Hence the proposal for official recognition of the Afghan resistance.

The signatures gathered by the PCI Youth Movement for withdrawal of the Soviet troops from Afghanistan, addressed to the secretary of the Communist Party of the Soviet Union, Mikhail Gorbachev, have now reached 98,000.

The Communist youth federation itself made this known, announcing at the same time a mission to Moscow by the national secretary Pietro Folena, the foreign affairs officer Roberto Cuillo and the secretary of the "League of Intermediate Students," Giorgio Airaudo. The delegation will be in Moscow from Monday to Friday at the invitation of the "Comsomol," the Soviet Communist Party's youth organization, and the petition will probably be among the subjects of discussion at the talks. A communique by the PCI Youth Movement in fact places "the local-conflict situations" at the center of the bilateral meetings, along with post-Geneva prospects and relations between the two youth organizations.

13070/12859
CSO: 3528/106

POWER SHARING AMONG COALITION PARTIES EXAMINED

Rome L'ESPRESSO in Italian 23 Mar 86 pp 6-13

[Article by Tullio Fazzolari and Guido Quaranta: 'The Big Swap']

[Text] From the banks to RAI to the powerhouse state agencies, this is the day of reckoning for the government. Here, sector by sector, we show you the latest bidding in the ministerial market.

There will be talk of inflation and terrorism, of institutional reform and of security in the Mediterranean. There is, however, one single issue on which the leaders of all five parties in the majority, seated around the checkout table, are ready to do battle, with no quarter given: who gets what appointment? The real stakes here in this final round of the fight to form a government are the more than 200 positions as president or members of the board of major public corporations, banks, and government agencies whose upper echelons are ripe for replacement.

The free-for-all among the five parties will therefore center not on issues of principle or program, but rather on how the jobs are to be divvied up: from RAI to the savings and loan funds, from the national electric company to state holdings in private firms; these are the key positions for those who will be governing the country for the next several years. This is, practically speaking, the biggest lottery in the history of the Republic: never have so many positions of such crucial importance been available for the political parties to pick and choose among. And the pickings are getting richer by the hour. In a government in which there is even an agency whose sole mission is to boost sales of ice cream on the hors d'oeuvre platter, the parties are determined to lay hands on the State Audit Board by appointing an outside chairman and thus triggering a rebellion among the magistrates.

The bigger the stakes, the hotter the battle among the parties will be. The favored contenders, however, are the two leaders: Ciriaco De Mita's Christian Democrats and Prime Minister Bettino Craxi's Socialist Party. For the rest of the pack (Republicans,

Social Democrats, and Liberals) there is no lack of appetite, but they will have to be content with the crumbs from the table: in other words, the leftovers after the two dominant parties have had their fill.

For the DC and PSI, though, the impending decision will be the great encounter, the settling of the question as to who is to govern. In this particular bout of arm-wrestling, both sides will be out for all they can get. The Socialists have already got first underholds. In February, at a meeting in Bologna, they began focusing their sights on the DC, which has made the banks its private fiefdom. Now they are ready to open fire across the line. "We were counting more heavily on the longevity of the center-left," admits PSI deputy secretary Claudio Martelli: "True, today we have the prime ministry. But on the flow-chart of power, our influence is less than our rightful share." In a word, the lion's share will go to the DC, as it monopolizes all the important ministries. "Let's not talk heresy, now," comes the immediate retort from the head of the Christian Democratic deputies, Virginio Rognoni: "When it comes to power, the Socialists already have too much of it."

With attitudes like that it is clear what the impending selection of a government may become: for each ministry, for each presidency or chairmanship, DC and PSI will face each other in a duel, each asserting its own claims and challenging the other's. Who, though, is right? And, in today's context, what does sharing power between these two parties amount to? To answer that question, we shall have to take a tour of power-sharing Italy, from the banks to the civic theaters, from the loacl health units (USL) to the helicopter plants, from telephones to the railroads -- all the government jobs are, de facto, in the hands of the parties. Here, sector by sector, is the directory of who runs what.

Too Much Credit to De Mita

Just a few figures, and the DC's iron grasp on the banks is instantly revealed as absolute. Thirty of the 50 biggest lending banks in Italy are "alloted"-- meaning that their top administrators have been chosen by the political party in power. Well, considering both registered members and sympathizers, the DC has about 77 percent of the positions that count (presidents or managing directors). The PSI has to make do with 6.1 percent. With its 9.2 percent, its experts in civilian areas (such as Lucio Rondelli at Credito Italiano) count for a lot more. The PRI has 3 percent. The PSDI has 1.5 percent (what that actually amounts to is presidency of the Bank of Naples).

The overwhelming superiority of De Mita's party emerges even more strikingly in view of the fact that it controls the most powerful lending institutions in the provinces, to wit: the 88 Savings and loans. The DC controls 76.2 percent of their presidents. Earmarked for the PSI is a goodly number of puppet vice-

presidencies, but only a 12.5 percent share of the presidencies. The DC's excessive power over the banks has steadily increased over recent years. De Mita's sworn liegemen have taken over one plum job after another: Gianni Zandano has San Paolo di Torino; Piero Baricci heads Monte dei Paschi di Siena; Ferdinando Ventriglia, as director-general, is the real boss at the Banco di Napoli; Francesco Del Monte is now vice-president of the Banco Nazionale del Lavoro. And the list could go on to the fringe areas. For example, last summer's round of appointments gave the Cassa di Risparmio of Calabria and Lucania to a president and vice president loyal to Riccardo Misasi, who heads De Mita's political office, and has his own electoral college in Calabria.

This is really too much for the Socialists, and they are calling for a halt to "this blatant imbalance." The cabinet selection process will be their chance to say that again and in no uncertain terms: on the next round of appointments to be meted out (slots at the top of some 80 banks), the PSI wants more of a say. And it is in no mood to settle for the usual contingent of vice-presidential chair-warmers. Craxi's party's first goal is to capture the Lombard Provinces savings and loan bank (Cariplo). As a replacement for the DC's Antonio Confalonieri, the Socialists would like to seat Giampiero Cantoni, who currently heads the IBI. The DC's reaction to that was peremptory, to say the least: "Where there is a DC man,"Misasi explained to Craxi's right-hand man, Gennaro Aquavviva,"there must be another DC man."

And so the head-on collision between the DC and PSI over the banks becomes inevitable, especially in such regions as Tuscany, where all the banks from Monte dei Paschi right down to the little savings and loan are in fief to the DC. The PSI would also settle for less...say, for the Leghorn savings and loan. Once again, though, they were turned down. The DC has mobilized even the bishop to help defend the Leghorn S&L. The message was swiftly forwarded to Piazza del Gesu: the DC cannot yield control of the Cassa because that bank is its one and only power-center in Leghorn. That reply was unacceptable to the Socialists. That is why they are threatening to open a front of hostilities: It is not possible, they say, for the DC to carry just as much weight on the Credit Committee (the body that makes bank appointments as all the other parties put together. This is the issue, along with the whole banking question, that the next session will tackle, generating considerable sound and fury in the process.

The Matter of RAI

The government-run radio and television corporation (RAI) is the highest hurdle ahead in the current battle. For more than 3 years, nobody has been able to appoint the new board. And,

since Pierre Carniti, RAI president designate of the Socialists who was boycotted by the Christian Democrats, withdrew, relations between the DC and PSI have been strained even further.

None of this, however, prevents the bidding and barter and swapping's continuing to be a way of life at RAI, otherwise known, and for good reason, as "the factory with 13,000 gate-passes." It has indeed that many people on its payroll. Most assuredly that definition is exquisitely suited to newspaper headlines. At TGI, 90 percent of the editorial staff is DC or pro-DC. At GR2, the percentage soars to 95 percent of its 61 reporters. The PSI is quarreling with TG2: 60 percent of its 107-person staff. And with GRI: 60 percent of its 59 reporters are DC or pro-DC.

Pending the appointment of a new administration, the reins of power are firmly in the hands of Director General Biagio Agnes, perceived as De Mita's proconsul at RAI, and his staff is largely made up of alumni of the DC's Ettore Bernabei's school. And in this state of affairs, the DC derived some advantage, having made sure of its control over the regional networks: To beef them up 17 more people have been hired in recent months, and at least 15 of them are Christian Democrats. At RAI right now there are almost 100 top jobs open or about to be open, ranging from chief of personnel (a PSI fiefdom) to the director's chair at TG2. That makes so many good reasons why the next few days around the swapping table will be crucial for the DC and PSI alike. And, in the end, the question boils down to this: the Socialists must push through a nominee for president who will stay ahead of Agnes, while the DC will have to make sure that nobody bothers their director-general.

DC Holdings

At IRI, the biggest of the state participations corporations, job trading no longer exists. That is to say that after 3 years of tenure for Romano Prodi, the entire conglomerate is firmly in the hands of one party: the DC. Among those with close ties to the party are the managers of the major financial trusts and corporations. Fabiano Fabiani, one of De Mita's most influential advisers, is managing director of Finmeccanica. Giuliano Graziosi, another DC stalwart, controls STET and hence the telecommunications sector, for which investments of 50 billion lire are expected.

The Socialists have also hung onto some of the key posts they captured when Gianni De Michelis was state participations minister. For instance, Marisa Bellisario is at Italtel and Baldo De Rossi heads Italstrade. The rest are mainly ornamental spots. Attilio Oliva is president of Finmare, but the man who runs it is Christian Democrat manager Alcide Rosina. Things are the

same at SIP: Michele Giannotta reigns there, but De Mita's man Paolo Benzoni's word is law.

The DC-PSI balance of power is less one-sided at ENI. Socialists are agency president Franco Reviglio, as are five more of the conglomerate's company managers. There are some ten or so DC people manning strongholds in Agip, Snam, and Saipem. There are also considerable numbers of non-party or independent technicians aboard. Even so, the DC is squabbling with the management at IL GIORNO, the ENI newspaper headed by Lino Rizzi, while the AGENCIA ITALIA fell to the Socialist's Gianna Naccarelli.

Right at ENI, though, is where war might break out again between the DC and PSI. De Mita's party is not content with what it has and, when it comes to the new faces on that board of directors, already lame ducks, is demanding two seats on the executive board instead of the one Enzo Barbaglia occupies now. Who is that going to hurt? The Socialists, of course, who even have Reviglio's reappointment in their pocket.

Agency by Agency

The president and two advisers for the DC, the Socialists get a vice president and one adviser. The logic of the barter frenzy does not spare ENEL, the state-owned electric power agency whose mission is to fulfill the nation's energy plan, and is one of the top recipients of government expenditures. Quite the opposite situation pertains at ENEA, the agency in charge of nuclear and alternative energy sources. The PSI will get two advisors and the president (even though Umberto Colombo is no longer on the best of terms with his own party); the DC picks the vice president and three board members. In both agencies, though, De Mita's party packs much more clout than its rival-allies in the PSI, since it controls all the levers through the director-general.

The same applies to INA, the National Insurance Agency. The DC rules there through a director-general and is not overly concerned that the Republic president, Antonio Longo, whose term has expired, might be reappointed or replaced by a Liberal.

The bidding, though, is fast and furious for agencies in every sector. Tourism, for one. While ENIT goes to Socialist Gabriele Moretti, CIT falls to former DC Deputy Carlo Mole. Not even the newly constituted State Railroads Agency escapes the auction-block: its president ill be former DC delegate Ludovico Ligato, and its general manager will be Giovanni Coletti, a Socialist technician.

Out in the provinces, though, the balance shifts in favor of the Christian Democrats. De Mita's party controls 78 percent of Chamber of Commerce presidents. The Socialists drop to 8.5 percent, while the Liberals (thanks partly to the long tenure of Renato Altissimo at Industry) are eclipsed by the other parties, with a paltry 4.2 percent. Out in the hinterlands, the PSI can at least claim a mighty fortress in Roberto D'Alessando, president of the autonomous consortium of the Port of Genoa.

The list of agencies up for grabs could go on far too long. Yet, at the haggling table, the DC and PSI will clash primarily over ENEL. De Mita's party would like a brand-new board of directors to replace its two current representatives, Giancarlo Lizzeri and Fabio Fittipaldi, with nominees more to the Secretary's liking. Giulio Andreotti wants the presidency for Franco Nobile, currently president of Cogefar. The PSI, however, opposes any major turnover, and is shooting for reappointment of Marcello Inghilesi and Valerio Bitetto.

The Health Ward

There are 673 local health units, employing about 800,000 people and running up costs that in 1986 alone cost the taxpayers some 42 trillion lire. The service they provide for 57 million citizens is third-rate, and declining. For the parties that control them, though, their performance is excellent, all the same. In other words, the USLs are primarily a power-base which is often operated amidst waste, delay, inefficiency, and outright theft (witness the 16,000 pending damage suits: an average of 25 for every USL).

The lion's share, as a DOXA-CNEL probe revealed, goes once again to the DC and PSI. De Mita's party controls 44 percent of the top positions (presidents and vice-presidents). Craxi's party picks up 25 percent. In third place is the Communist Party, with 19.9 percent. By comparison with 5 years ago, the DC is losing ground. It once had 54 percent of the top jobs in its grasp. It had to let go of a few of them to the Socialists and to the other allies: Social Democrats, Republicans, and Liberals. However, there will certainly be another swapping round this spring, when, under the USL minireform act, no fewer than 2,680 administrators (almost half the members of the management committees, will lose their seats. And the struggle for survival among the parties is already joined.

Local Governments

From buses to milk depots, the parties also rule the vast archipelago of municipally-owned services: there are about 430 of them, run by 2,000 administrators including presidents and board members chosen directly by the local administrative bodies, In other words, by the politicians. And, once again, there are the usual contenders for the spoils: the DC and the PSI. Only in Emilia and Tuscany has their hegemony been shattered by the Communist Party.

In the other regions, though, the division of the spoils is conducted briskly. The DC will take over 27 percent of the presidencies and is very influential, especially in central Italy, in the South, and in the islands. Its strongholds are several municipally-owned services in Naples (including the extra-urban Transport Consortium, in Bari (sanitation department), in Palermo, and in Cagliari.

The Socialists, however, are not doing badly at all. They have control of 26 percent of the presidencies in municipally owned and operated agencies, most of them in the north-central provinces. In Genoa, for instance, one of their fiefdoms is the gas company, whose 294 customers make it the biggest in Italy. The same story goes for Rome's ATAC, which is the urban transit system which, with its 16,000 employees, is a mighty reservoir of votes.

Even this split has heightened tensions between the DC and PSI. Given the outcome of the general elections last summer, the DC has announced its intention to flesh out its quota at the PSI's expense. As it turns out, of the 70 agencies whose top echelons have been replaced recently, the DC pocketed 30 percent, while the Socialists failed to get beyond 21 percent.

Socialists Backstage

What about the other institutions? Not even the cultural and scientific research outfits escape the auction-block. Among the lyric foundations, the shrillest high-C comes from the PSI, which controls seven of them, followed by the PCI with five, and the DC, with three. The Communal Theater of Florence, for example, went to Socialist Giorgio Vidusso. The Accademia di Santa Cecilia in Rome belongs to the DC's Francesco Siciliani. The subsidized theaters are also dominated by the Socialist Party with 13 of its men in key positions. Next comes the PCI with eight, and the DC with seven. In other cases, the cultural institutions are cut into slices: presiding over the Venice Biennale is the PSI's Paolo Portoghese, byt the secretary-general's seat is reserved for Gastone Favero and the cinema section for Gianluigi Rondi, both of them DC.

Scinetific research is also subject to the outcome of party competition. The Socialists get the National Health Institute. The Christian Democrats rule the National Research Council, where Luigi Bernardi has replaced president Ernesto Quagliariello. Again, it is the DC's turn to run the National Nuclear Physics Institute, with their man, Nicola Cabibbo, in the chair, but the top job at the prestigious Frascato Center for Physics goes to the Socialists' Renato Scrimaglio. Who know whether, when they try to split the atom, they will manage to establish which electrons belong to the DC and which to the PSI?

[Box, p 9]

Small Screen, Big Party

Even among the top executive echelons at RAI, the numerical disparity is overwhelming: two Chritsian Democrats for every Socialist. From network presidents to news-headline editors to the heads of the several networks, De Mita's party lings to solid control over the national radio and TV agency. Here are the rosters.

Christian Democrats

Biagio Agnes (general director)
Carlo Livi (deputy general director)
Leoni Piccioni (deputy general director)
Emilio Rossi (deputy general director)
Emanuele Milano (director, Network I)
Carlo Fuscagni (system manager, Network I)
Brando Giordani (director, Network I)
Suciano Scafa (system manager, Network I)
Giovanni Salvi (system manager, Network I)
Giuseppe Rossini (director, Network III)
Massimo De Marchis (system manager, Network III)
Albino Longhi (director, Tg I)
Nuccio Fava (deputy director, Tg I)
Mariolino Mauri (deputy director, Tg II)
Luca Di Schiena (director of Tg III)
Orazio Guerra (deputy director of Radio Network II)
Cesare Viazzi (special executive at Tg III)
Corrado Guerzoni (director of Radio Network II)
Aldo Palmisano (director, Gr II)
Paolo Orsino (deputy director of Gr II)

Socialists

Sergio Zavoli (president)
Massimo Fichera (deputy general director)
Pio de Berti Gambini (director Network II)
Sergio Silva(director, Network II)
Giovanni Minoli (director, Network II)
Mario Raimondo (director, Network II)
Marina Tartara (director, Network II)
Stefano Munafo (director, Network III)
Alberto La Volpe (special executive at TGI)
Ugo Zatterin (director, TG II)
Luigi Locatelli (deputy director at Tg II)
Sergio De Luca (deputy director at Tg III)
Salvatore D'Agata (co-director at Gr I)

[Box, p 11]

Bank by Bank

How many bankers can Craxi muster? How many will rally round if De Mita calls? As this table shows, the DC secretary leads the prime minister and the PSI secretary by several country miles. Chairmen or managers of big banks or Savings and Loans who belong to or are supporters of the DC number more than twice as many as those who lean toward the Socialists.

Christian Democrats

Gianni Zandano (president, San Paolo di Torino)
Piero Barucci (president, Monte dei Paschi di Siena)
Carlo Zimi (Administrator General, Paschi di Siena)
Ferdinando Ventriglia (director general, Banco di Napoli)
Romeo Dalla Chiesa (president, Banco di Roma)
Ercole Ceccatelli (administrator, Bank of Rome)
Marcello Tacci (administrator, Bank of Rome)
Alberto Boyer (president, Credito Italiano)
Antonio Monti (vice president, Banca Commerciale Italiana)
Francesco Dal Monte (vice president, Banco Nazionale del Lavoro)
Ottavio Salamone (director general, Banco di Sicilia)
Giosue Ciapparelli (president, Banco di Santo Spirito)
Antonio Confalonieri (president, Capriolo)
Camillo Ferrari (vice president, Capriolo)
Gian Guido Sacchi Morsiani (president, ICCRI)
Enrico Filippi (president Cassa Risparmio di Torino)
Giuseppe Bartolomei (president, Banca Toscana)
Remo Cacciafesta (president, Cassa di Risparmia di Roma)
Gino Barbieri (president, Cassa Risparmio Verona and Vicenza)
Gianni Dagnino (president, Cassa di Risparmio, Genoa and Imperia)
Lapo Mazzei (president, Cassa di Risparmio, Florence)
Ettore Benzi (president, Cassa di Risparmio, Padua and Rovigo)
Cesare Panizza (president, Credito Commerciale)
Francesco Sapio(president, Cassa di Risparmio Calabria and Lucania)
Angelo Calola (president, Mediocredito, Lombardy)
Roberto Foresi (president, Cassa di Risparmio, Leghorn)
Giancarlo Mazzocchi (president, Cassa di Risparmio, Piacenza)
Gino Ceriani (vice president, Isveimer)
Sergio Bertossi (president, Cassa di Risparmio, Udine)

Socialists

Nerio Nesi (president, Banco Nazionale del Lavoro)
Leo Solari (vice president, Credito Italiano)
Tommaso Pesce (vice president Banca Commerciale)
Carlo Polli (vice president Cariplo)
Paolo Baratta (president, Crediop)
Fabio Taiti (general manager, Banca Toscana)
Giampiero Cantoni (president, IBI)
Giuseppe Di Vagno (president, Isveimer)
Francesco Passaro (Cassa di Risparmio, Apulia).

[Box, pp 12,13]

Arnoldi Forlani Expresses Political Views

Once again, at the very moment when tensions between the DC and PSI were nearing the flash-point, it was Deputy Prime Minister Arlando Forlani who set off the sprinkler-system to douse the sparks of conflict and smoothe the turf for the momentous encounter between Ciriaco De Mita and Bettino Craxi. This was the same man who, on the eve of the set-to over ministerial posts, had stepped in with an article in LA REPUBBLICA on institutional reform. L'ESPRESSO questioned him about the state of relations between the Christian Democrats and the Socialists, about the government, and about the outlook for its survival.

[Question] What possible good can this round of haggling do, Deputy Prime Minister? Aren't you worried that this could turn a majority already falling apart at the seams into a revival meeting?

[Answer] There has been an onset of weariness in the majority at the very juncture when the outlook for economic recovery is excellent. What we must do now is to make a clear reassertion of the coalition's agenda, precisely because there is a crying need for resolute action on the part of government, along lines that are both consistent and well-coordinated. We need this if we hope to make the best of this opportunity afforded by the international situation.

[Question] Recently, in view of the confirmation sessions, there has been persistent talk of a changeover at Palazzo Chigi. In your view, has the time come to implement that change?

[Answer] That will depend on how well we manage during these few weeks to restore our collaborative relations. In my view, though, this is not the key issue, even though I see and understand the reason for the mounting emphasis on the theatrical and image-enhancing aspects of politics. If the coalition parties can agree on the genuine issues, in a balanced view of all sides, they will also be able to come up with solutions to the problem within a reasonable length of time."

[Question] At this point, though, do you think the DC made a mistake in handing the prime minister's chair to Craxi? Just recently, L'ESPRESSO published a poll that shows mounting approval of the Socialist leader. Doesn't that give you pause?

[Answer] If we were to find that we had made a mistake, we should sit down and assess the damage. And certainly I would be the first to do so. Last year we won two very significant victories at the polls, and they did the coalition, especially the

Christian Democrats, considerable good. As I see it, these are the "opinion polls" that really count.

[Question] Your article in LA REPUBBLICA has been interpreted as an overture to the PCI. Do you believe that the "program government" Natta has advocated could turn out to be a workable hypothesis?

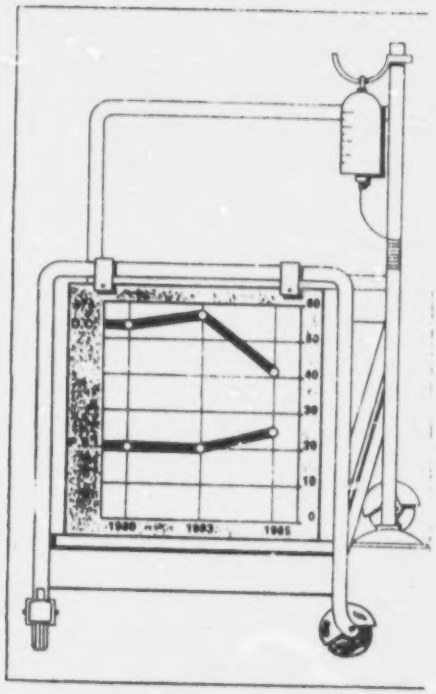
[Answer] The PCI is in deep trouble, and is struggling to redefine its own identity. We have every reason to hope that a revision process will run to term and, in that process, will embrace certain values and concerns of ours. Even if you accept the alternativist and bipolar concept, alternation in the system is one thing, but the fact that we perpetuate the risk of an alternative to the system is quite another. As for program government, I do not think that it has been clearly thought through as yet. In any event, I do not believe that the Communists are in any mood right now to vote for a government that does not include them."

[Question] In an explicit evocation of Berlinguer's arguments, you criticized De Mita's plan for electoral reform that would favor a turn about at the head of the government. Why do you oppose the proposal put forward by your party's secretary?

[Answer] We hold no preconceived positions; besides, when it comes to electoral matters, it would be strange to pose the issues in dogmatic terms. These are questions on which there is room for differences of opinion, and it is merely common sense for us to discuss them frequently with one and all. As for electoral reform, a broad consensus becomes even more vital than on other questions. Besides, we must perforce pay particular attention to the parties that have joined with the DC to guarantee a democratic balance throughout the country."

[Box, p 13]

Power and Health



Look at how things have chnaged in the last 5 years in the power ration between the two major political parties in the coalition government! The DC has dropped from 54 to 44 percent control over the top executive positions in the health establishment (president and vice-president). The PSI, on the contrary, has moved up to control 25 percent of the plum positions, against the 20 percent it had to make do with during the lean years.

6182
CSO: 3528/105

PAPER COMMENTS ON LATEST POLL MEASURING SUPPORT FOR NATO

Oslo AFTENPOSTEN in Norwegian 18 Mar 86 p 2

[Editorial: "New Challenge from the Left"]

[Text] After the Labor Party's left wing has formally given up its fight against NATO membership the support of the population for our connection to the Alliance has increased even more. A new opinion poll of the organization People and Defense shows that two out of three Norwegians realize that NATO safeguards Norway's security, while only six percent believe that the Western defense alliance increases the danger of war. Set against the country's short foreign policy history this shows that we have come quite far towards acknowledging greater international responsibility and obligation.

An extremely interesting feature in the opinion poll is the development among the Socialist Left Party voters. While 15 percent answered in 1982 that NATO safeguards Norway and half of them that it increases the danger, the picture has gradually shifted so that in November of last year 39 percent had a positive opinion of the alliance, while only one out of four of the Socialist Leftists views our NATO membership with fear.

Thus one should believe that decades of anti-NATO campaigns which originally were a basic element in our political everyday life are about to be finally abandoned. We believe that this is largely connected with the fact that the Soviet Union's massive build-up of forces in the North has made steadly more people realize that geographically Norway is located in one of the most important points of intersection on the globe and that we cannot resign from this reality. On the contrary, we must choose sides and continue to concentrate on the collective security.

Even the radical Leftists begin to understand this now, and the leadership of the Socialist Left Party has gotten something to chew on. Neutralisms chaste rejection of reality could in the long run not measure up against the geography which according to Josef Stalin is no subject for negotiation. The time for the square "Norway out of NATO" is gone. What will take its place?

We believe that the future debate with the left wing will take place within the framework of the alliance, and that the cue will be Einer Forde's well-known "close combat in NATO". We shall no longer march out, we will only oppose the solidarity in practical politics, and preferably promote proposals which are a breach of the joint appearance. An example of the latter is the idea of a nuclear-free zone in the North specified in a treaty, something which is characterized as "insane" by a serious researcher here at home.

Therefore the neutralistic thinking will continue to overwinter here at home like that. It will only take on a more subtle form. Public opinion will gradually have to reach a decision to what extent suggested concrete proposals are in agreement with the alliance policy which the large majority supports in principle. The objective of the foreign policy oposition will be to be able to influence the government policy the same way a majority in the Danish parliament has forced Denmark into the role of a footnote nation at important crossroads.

Therefore, for responsible Norwegian politicians and our voluntary defense organizations the task is at least just as important as when one was faced with the rougher NATO-opposition. The challenge remains to retain the understanding that Norway cannot afford not to act in solidarity. Inside.

12831
CSO: 3639/91

CLOSER TIES WITH EUROPE NO ALTERNATIVE TO U.S. RELATIONSHIP

Oslo AFTENPOSTEN in Norwegian 20 Mar 86 p 2

[Editorial: "No Alternative"]

[Text] The cooperation with the United States within NATO is--and will remain--a cornerstone of Norwegian security policy. Only with a secure contact and support across the ocean to Northern America can our joint defense become credible, as the previous leader of Parliament and chairman of the defense committee Per Hysing-Dahl stated it in an article in AFTENPOSTEN yesterday. Militarily we are with our back against the sea without depth on our contintent, and with an enormous deployment area for a potential attacker.

It is a dangerous misunderstanding to believe that a closer European unity can constitute an alternative to our defense alliance with the United States. The increasing community which is developing in Western Europe can without doubt strengthen our security since NATO will thus get a solid European pillar to stand together with the North American one. But Hysing-Dahl places our joint security in the right context when he also reminds us that in reality it is the United Stater that will continue to be the guarantor of the peace-preserving effect of the defense alliance and for the opportunities to achieve genuine results in disarmament and relaxation of tensions negotiations. These are two sides of the same issue.

When individuals present the closer cooperation in Europe as a means of "liberation" from the alliance bond which is tied over the Atlantic Ocean, they weaken the credibility and negotiating ability of the alliance. European cooperation is no alternative to NATO. But it is equally clear that in the years to come Europe must be prepared to carry a larger part of the costs for the defense of this continent. We owe it the United States which has great commitments in other places of the world as well to pay more attention to taking care of our own interests with regard to security policy.

In agreement wiht Hysing-Dahl we welcome the stronger European self-assuredness and desire for cooperation. The European countries represent values which we can preserve and develop precisely when working together. For Norway it is of the greatest importance to develop further our good relationships with the European allies. But with our exposed position on the Northern flank it is first and foremost of greatest importance to preserve and indeed strengthen the bonds across the Atlantic Ocean--to the United States.

But the confusion which seems to follow in the wake of the emerging debate on our relationship with Europe we find it necessary to emphasize this basic precondition that we continue to be sure that we will be able to live in peace--with freedom. And neither for Norway nor for Europe can there be talk of an either/or situation. For us it must be both Europe and--in particular--the United States.

12831
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REPORTER, PARTY LEADERS DEBATE CONSERVATIVES' PROBLEMS

Oslo AFTENPOSTEN in Norwegian 19 Mar 86 p 4

[Article by Odd Inge Skjaevesland: "Anonymous Forming of the Conservatives' Profile"]

[Text] A new confrontation between the Conservatives and AFTENPOSTEN last night. "The Conservatives' political profile is formed largely by faceless party secretaries in subordinate, but influential positions in the government offices," said AFTENPOSTEN deputy editor Lars Hellberg in a duel with the Conservatives' deputy chairman Kaci Kullmann Five and KAPITAL editor Trygve Hegnar.

Hellberg showed that in the opinion poll in January the Conservatives received the same score, 30.4 percent, as during the parliamentary elections last fall. This, the deputy editor feels, was "good compensation for twiddling one's thumbs in the government building." He was presented by deputy chairman Trond R. Hole of the Oslo Young Conservatives as "the driving force in the witch hunt against the Conservatives in AFTENPOSTEN."

The relationship with the two other government parties was the center of the debate. "Many sneer at the compromises, but they are the main pillar in a democracy," said Kaci Kullmann Five. She brought forward the Town and Country Planning Act as an example where she feels it is necessary to give up some of the Conservatives' own opinions.

"It could have been tempting for the Conservatives to vote together with Carl I. Hagen, but then there would have been no compromise generally speaking.

Now we got the center parties to move somewhat in the right direction," the Conservatives' deputy chairman pointed out.

"You must be more cynical," Trygve Hegnar answered. He recommended a hard-driving attitude, among others, in tax policy and agricultural policy. "Press hard for having fewer farmers. Don't worry that several thousand of them should lose their job and feel the Conservatives are a terrible party. You are sniffing around this but do not dare to take the real step," said Hegnar who made this comment when Hellberg emphasized that AFTENPOSTEN is not a mouthpiece for the Conservatives: "What nonsense!"

"Recruiting among the Conservatives appears haphazard," the editor of KAPITAL pointed out. He did not believe that the largest government party has been good at looking after its politicians. Kaci Kullmann Five largely blamed the press for the fact that people got the impression that the Conservatives had difficulties in finding someone who should succeed Erling Norvik as chairman.

12831
CSO: 3639/91

PERSPECTIVES ON RELATIONS WITH LIBYA NOTED

Cooperation with Libya Urged

Lisbon TEMPO in Portuguese 28 March 86 p 40

[Article by Cartaxo Trindade: "An Opinion on Libya"; text of speech by Cartaxo e Trindade during the conference held in Lisbon on 7 March 1986 regarding relations between Portugal and Libya]

[Excerpts] The United States says that it is the victim of attacks by Libya (in the Mediterranean) and it attacks the Libyans. The Libyans say that they are being attacked by the United States and they attack the United States (in the Mediterranean). Where does that leave us, the Portuguese, in this dirty game?

We must urgently rethink the development of political and cooperation relations between Portugal and the People's and Socialist Libya Arab Jamahiryia, putting aside misunderstandings and intrigues launched in certain Portuguese circles. To revive Portuguese-Libyan relations, the Portuguese government must listen to the Libyan leaders and must launch dynamic cooperation which the two parties certainly want to carry out.

Libya decided to open its embassy in Portugal in 1975, after the leaders of what then was the Libyan Arab Socialist Union Party had visited Portugal many times and had even attended meetings of the Portuguese Socialist Party as invited guests. Between 1974 and 1976, moreover, there were frequent visits by outstanding Portuguese socialist leaders to Tripoli. As a result of the dynamism of Portuguese government leaders, members of the Socialist Party, in particular, the then Secretary of State for Foreign Affairs and, later on, Minister Medeiros Ferreira, it became possible for the two countries to sign an economic and technical cooperation accord in 1976; Portugal, for the first time, participated in the International Tripoli Fair.

After 1977, the situation of relations between the Libyan Jamahiryia and Portugal were marked above all by individual contacts or contacts by political and economic groups. Various Portuguese left-wing political leaders began to visit Libya from that time on, as did businessmen and members of the Islamic community in Lisbon. The Socialist Party had missed the bus.

Following the doctrine and thinking contained in Qadhdhafi's "green book," the People's and Socialist Libyan Arab Jamahiryia selected a new political option which, as regards Portugal, was characterized by contacts with diversified groups, as well as with labor union, cultural, and religious associations and organizations, practically pushing the parties aside. That was one way to go.

The Ilidio Monteiro construction company has always had business dealings with Libya, even before and after the switch from the republic to the Jamahiryia. But Argibay also built ships for Libya and Lisnave [Lisbon Shipbuilding] is now getting Libyan ships regularly for repair. Besides, the work done by Ilidio Monteiro has really been important and his personal contribution to the strengthening of Portuguese-Libyan relations and cooperation has been very positive.

Starting in August 1985, the Libyan leaders made a significant and interesting change in their relations with Portugal as they sent a high-ranking official to head their mission to Lisbon.

Nuri Mohamed Betelmal is a very dynamic person, he always has several irons in the fire as he seeks to improve relations between the Libyan Jamahiryia and Portugal. This is why conferences and contacts at various levels in Portugal have been increased greatly. One might well say that this is a symptom of the improvement of relations and the opening of Portugal toward Libya, at a time when there are still statements and insinuations from certain political and newspaper circles against that Arab country.

Over the past several months, relations between Portugal and Libya have been marked by calm and by the gradual development of cooperation. Now it is important to provide dynamic impetus for the economic and technical cooperation accord signed in 1976. It is furthermore important to make sure that the Jamahiryia will provide an opportunity for a visit by Portuguese newsmen of various ideological persuasions in an effort to tell the whole truth about Libya and not just parts of it which we sometimes get from the news agencies. During a subsequent phase, it would be important for Portugal to think again about the possibility of opening its embassy in Libya, a country of 3 million inhabitants, where about 5,000 Portuguese live presently.

Interview with Libyan Ambassador

Lisbon TAL & QUAL in Portuguese 4 Apr 86 p 6

[Interview with Libyan Ambassador Dr Nuri Mohamed by Carlos Vargas: "We Are Not at War with Portugal"]

[Excerpts] The Portuguese are generally people who are quite conscious of geography and they know, at least from the tourist posters, that Spain is next-door.

But the neighboring country has never been as close to Portugal as it was several days ago when Muammar Qadhdhafi summoned the Italian and Spanish ambassadors in Tripoli and informed them that, if the United States were to

attack Libya, that country would respond, in particular, by attacking military bases located in Italy and Spain.

Now, this is not something to be trifled with because, in addition to the fact that there are Spanish bases just a few kilometers from Portuguese territory, the distances are even shorter when it comes to the use of missiles.

But that is not all. It so happens that Portugal has at least one base--the Lajes base--which, in the NATO context, can be used by the United States, and that would make it into a prime target in case of a crisis.

Dr Nuri Mohamed Betelmal, the Libyan ambassador in Lisbon, told TAL & QUAL the day before yesterday that, formally, the conflict between Libya and the United States "concerns only those two countries." However, he emphasized, "if we were to be attacked, we would have to defend ourselves by all means."

The Libyan diplomat refused to explain whether those means could include direct retaliatory actions against Portugal, in case of a United States attack on Libya, similar to the measures already announced by Qadhdhafi with relation to Spain and Italy. "We have long-standing diplomatic and cultural relations with Portugal and we get the feeling that none of the Portuguese resources would be used against Libya. We have to believe in that," added Dr Mohamed Betelmal. However, he did not fail to let us know that he "hopes that the Portuguese government will be able to clarify its position better." "We do not want to disregard the facts but since we do not have the same weapons as the Americans have, we must defend ourselves," the Libyan diplomat emphasized.

As TAL & QUAL learned, the Cavaco Silva administration is studying an invitation by Libya to send an official Portuguese delegation to Tripoli in order to launch a process of cooperation which, as the ambassador sees it, "does not satisfy the two sides." "There have been difficulties on occasions. For example, some time ago we invited a group of 25 Portuguese students to visit Libya and there were some people who said that we were trying to recruit mercenaries."

Ambassador Betelmal smiled as he took his leave with a statement of hope: "I hope to see Qadhdhafi in Portugal some day" and a statement of certainty: "We are not at war with the Portuguese."

5058
CSO: 3542/83

POLITICAL AGITATION WITHIN UGT REPORTED

Toward Cooperation with CGTP

Lisbon O DIABO in Portuguese 25 Mar 86 p 5

[Article by Luis Aparece: "Socialist Party Creates 'Transmission Belt' in Labor Unions"]

[Text] There has been something new since last weekend in the UGT (General Union of Workers), the democratic labor union: A "transmission belt of the Socialist Party." This was approved during a meeting of socialist workers chaired by Torres Couto who (among other things) is UGT secretary-general and a socialist deputy in the Assembly of the Republic, in the presence of Antonio Guterrez who, along with Vitor Constancio, is predestined to leadership of the party on Emenda Street.

The surprising aspect of this resolution--if it can be called surprising--resides in a particular circumstance: the UGT was established as part of the struggle against Union Federation, which was accused of being the "transmission belt of the Communist Party." More than just being under the control of the Communist Party, it was then charged that the labor unions were "transmission belts" plain and simple, thus refuting the Leninist theory.

"All in vain, everything in flux," said Torres Couto as he rose to defend Leninism in support of his party. In the final analysis, the thing that distinguishes socialists from communists was a simple thing: the communists wanted the labor unions to serve the Communist Party, while the socialists want them to serve the Socialist Party.

From here on in, of course.

At the very moment when this identification was concocted, the UGT (or, rather, the group of Torres Couto) promoted a debate in the presence of some of the "talking animals" whom Cardia mentioned, to explain to the members that the UGT must adopt a position against the administration and the major consequences deriving from the election of the president of the republic, by chance, Mario Soares, the former secretary-general of the Socialist Party.

All of this is likewise clear. If there had been any doubts as to the criticisms that were being levelled against the socialist-controlled labor union, this position statement meant that black was white. The truth is that the meeting that gave rise to the Socialist Labor Union tendency ended in failure: a significant part of the group whom Torres Couto headed in the National Secretariat of the union refused to fall in line. Left out were unions that were important to the life of the UGT, such as SITESE (Lisbon offices) and the SIMA (metallurgical). These are unions whose leaders are indispensable to the socialists. The SIMA is only the union which the communists consider to be a "parallel" union with the largest number of members (12,000 dues-paying members). The SITESE is a key component of the entire socialist movement as a party (its leader Antonio Janeiro is an outstanding figure in the MASP).

The establishment of the Socialist Labor Union tendency, as a "transmission belt for the Socialist Party" (these are the terms in which the measure was announced to the mass media), springs up in the form of another point of disagreement within the UGT and among the socialists. The fact is that, looking strictly at statistics (on the basis of documents in our hands), the democratic unions currently represent about 280,000 (dues-paying) workers. Among these, 104,000 are in social-democratic-controlled unions (33 unions), while 30,000 are in independent unions not affiliated with the UGT. SITESE and SIMA represent something like 40,000 members (32,000 in SITESE and the rest in SIMA).

Keeping in mind that the other 21 socialist-controlled unions have strong social-democratic (and also Christian-democratic and communist) tendencies, one can readily see that Torres Couto's game is not a matter of political "marketing" which cannot amount to anything more than an attempt to draw the UGT into becoming a "fellow traveller" of Union Federation, as part of the "frontism" which Cunhal and Alegre are building up. In real terms, it represents very little.

UGT Leader Blamed

Lisbon EXPRESSO in Portuguese 28 Mar 86 p 5

[Text] A position of total "lack of confidence and censure" concerning the activity of the UGT National Secretariat, headed by Torres Couto, has just been approved by the National Directorate of the STE (Technical Government Employee Union).

In a letter sent to the UGT secretary-general, the STE accuses the union's leadership of "very grave and compromising proceedings." Among other issues, the National Secretariat is accused of using the facilities of the UGT for a press conference in support of the candidacy of Mario Soares.

The STE also accuses the UGT of being an investment and partnership management company, a labor union research, training, and cooperation institute, and even a Portuguese vacation and travel agency without letting the union members know about that.

The letter also states that this union has used international financial support to promote unions created "administratively" and that it has a number of "fictitious partners."

The conflict now triggered by one of the unions that founded the UGT is part of the war launched by the social-democratic unionists against the control of the socialists and the support which they gave to the candidacy of Mario Soares for the office of president of the republic. The position adopted by the STE may well be copied by other unions connected with the PSD [Social Democratic Party].

The letter from the STE directorate also expresses the opinion that there are "indications" that the undertaking of the UGT is "compromised," which could indicate the existence, on the part of the social-democratic unionists, of threats against the unity currently prevailing within this labor union. The latter, as a matter of fact, are accusing the UGT secretary-general of exploiting the union to "undermine" some of the affiliated unions and creating others, "a procedure which is obviously not harmless."

Trade Unions' Role Seen Perverted

Lisbon O DIABO in Portuguese 25 Mar 86 p 20

[Text] The UGT "is getting rich": now it already has a socialist "tendency." It even seems that it did not have this sort of thing before.

Increasingly politicized, the unions and their headquarters today are directed by "workers" in name only and they do nothing but make politics. Politics in the service of the parties and their bosses. Politics in the service of the international federations. Politics in the service of strategies and interests which are concerned with those who work and who live on their work only secondarily. Another perversion and another lie which nobody wants to expose.

5058
CSO: 3542/82

CARLSSON'S LESS CONFRONTATIONAL STYLE WORRIES OPPOSITION

Stockholm DAGENS NYHETER in Swedish 23 Mar 86 p 12

[Commentary by Sven Svensson: "Fight for Middle Voters Intensifies"; first paragraph is DAGENS NYHETER introduction]

[Text] From the "outstretched hand" to the "open door"--a change has taken place in Swedish politics. But while the tone is less strident now, the fight for marginal voters in the middle of the political spectrum has been stepped up.

The political debate has become less strident and more conciliatory, but at the same time the fight for marginal voters in the political center has intensified between the new Social Democratic Prime Minister Ingvar Carlsson and the new Liberal Party leader, Bengt Westerberg. That is the paradoxical consequence of the murder of Olof Palme and the transition to the open door policy.

The Conservatives and their leader, Ulf Adelsohn, now face a test of their manhood. The lack of election success in the fall, with the Social Democratic steamroller flattening the Conservative Party's proposal for economy, led to a moral and political hangover among party leaders as well as among active party members. Declining ratings in the polls since then have added to their nervousness.

The murder of Olof Palme also deprived the Conservatives of their principal sparring partner. Olof Palme was used by the Conservatives to whip up the emotions of the nonsocialist rank and file. Ingvar Carlsson cannot be presented as a class traitor or national traitor in the same way as Olof Palme.

Therefore in the new situation that has arisen in the political arena the Conservatives will be forced to abandon their strong fixation on the leader of the Social Democratic Party and concentrate on more mundane political issues instead.

Westerberg in Good Position

Singleminded attacks on the new Social Democratic Party leader would increase the risk of being linked with the extreme right wing, which is dangerous in

the aftermath of Olof Palme's murder. That would increase the prospects of rising Liberal leader Bengt Westerberg of winning new Conservative votes in the next election. Westerberg finds himself in a favorable position. His remarks about Olof Palme have received the wholehearted support of Palme's successor, Ingvar Carlsson.

In the 3 weeks that have gone by since the fatal shot was fired on Sveavagen, Ingvar Carlsson has radiated energy and competence. There is absolutely no doubt that Ingvar Carlsson will be a tough political opponent for the nonsocialist opposition and a competent prime minister. He has had an effective training for the job as prime minister as well as in the leadership of the Social Democratic Party apparatus.

Under Ingvar Carlsson the Social Democratic policy remains in place, even though the government statement said that the government would try to unite firmness and consistency in its work with an open mind and receptiveness.

For 28 years he worked closely with Olof Palme and since 1982 he has been in charge of most of what happened in the area of domestic policy. Like Olof Palme, Ingvar Carlsson's overriding goal will be to hold together the wide-ranging Social Democratic movement. There will be few opportunities to make major deviations from the course that has been set.

Carlsson's Luck

Ingvar Carlsson had great luck when he became the leader of the Social Democratic Party under dramatic circumstances. Falling interest rates, falling rates for the dollar and falling oil prices improve the chances for higher real wages and a successful conclusion to an otherwise hopeless contract negotiation process.

The Dala rebellion and other Social Democratic protest actions have also subsided during the 3 weeks that have elapsed since the murder, but the latent criticism undoubtedly still remains.

Success for a Social Democratic Party leader and prime minister is measured not in government resolutions but in election results. Every 3 years Olof Palme succeeded in putting the Social Democratic election machinery in high gear by whipping up the enthusiasm of party sympathizers and presenting a scary picture of the disasters that would befall workers if the nonsocialist opposition assumed government responsibility. Palme was effective on the speaker's platform and dictated the forms the political debate assumed.

With Ingvar Carlsson as head of the Social Democratic Party, politics should have calmer and more objective, but perhaps also more boring overtones. Heated class struggle slogans would cause the peaceful signals sent out by Ingvar Carlsson to lose their credibility.

The future will show if the open door policy and a decrease in verbal polarization on the part of both the Social Democrats and the Conservatives will

give the Social Democrats a greater chance of winning over marginal voters in the political center.

At any rate Social Democratic strategy under Tage Erlander and Olof Palme was based on the assumption that sharp polemics and attacks on the opposition were needed in the campaign to get sluggish Social Democrats out of their armchairs. The specter of conservatism has long been the Social Democrats' most reliable campaign tactic.

Spearhead

In the new political situation that has arisen after Olof Palme's death, Liberal Party leader Bengt Westerberg is continuing his purposeful long-range effort to consolidate and improve on the 1985 election figures. Bengt Westerberg is gaining increased prominence as the nonsocialist spearhead who will bring about a government change in the 1988 election, even though the poll figures are probably somewhat exaggerated.

The ideological profile is becoming steadily sharper in line with the strategy that was adopted immediately after the election. The Liberal Party is establishing its policy on specific issues as early as possible and ahead of any other party in order to avoid charges that it is following in the footsteps of the Social Democrats.

The Liberal Party's ideological line is based more specifically than in the past on a general market economy and social policy aimed at avoiding distortions in competitiveness, income tests and marginal effects. At the same time Westerberg's talk this week of the "command state" disturbed many Social Democrats.

The Liberal line stands in sharp contrast to Social Democratic policy which often favors special measures in the market economy and social policy areas. The Liberal Party leader believes that the ideological differences and the disagreements over certain political issues will remain even after Olof Palme's death.

Bengt Westerberg owed a lot of his success in the election to his objectivity and credibility, but it was against the background of the slugging match between Olof Palme and Ulf Adelsohn that these qualities were given added prominence.

Now the political situation has changed. Olof Palme is gone. Ulf Adelsohn has slipped in the opinion polls and there is great uncertainty about the policy and leadership of the Center Party. Karin Soder is trying to decide whether to become the head of the party and Olof Palme's death has not made the choice any easier for her. For the foreseeable future Ingvar Carlsson and Bengt Westerberg appear to stand out as the major political opponents.

There will certainly be less fire and drama on the speaker's platform in the future than there was when Olof Palme stormed across the scene.

Ingvar Carlsson and Bengt Westerberg must try to preserve their reputations as objective and informed politicians who combine firmness and consistency with a certain amount of political cooperativeness and personal respect for the opinions of others.

The one who starts a fight will use up a lot of his credibility with the voters.

Normally a calmer and more relaxed debate tone would benefit Bengt Westerberg more than Ingvar Carlsson. Respect for the opinions of others is a genuine liberal virtue while a raised tone of voice and scare tactics have long been traditional elements of Social Democratic campaigns.

LO-TCO

Other factors besides setting the tone of the debate will probably weigh more heavily in political developments for the rest of the 1980's. How much freedom of action the Federation of Trade Unions [LO] gives the Social Democratic Party leadership under Ingvar Carlsson and what role the Central Organization of Salaried Employees [TCO] is allowed to play in the future will probably be of greater importance.

The opinion polls suggest that the Liberal Party is making rapid gains among voters affiliated with TCO following a period of Conservative dominance. The struggle between the two big labor organizations could greatly influence the outcome of the political power struggle.

The LO demand for a low-income profile, the continued rejection of state income tax indexing and the fear of increased competition in the public sector will probably increase Bengt Westerberg's chances with marginal voters. Many of these marginal voters are TCO members and not as loyal to the Social Democratic Party as the industrial workers who dominate LO.

6578
CSO: 3650/179

NORWEGIAN DEFENSE ANALYST VIEWS USSR NORDIC OBJECTIVES

Stockholm SVENSKA DAGBLADET in Swedish 27 Mar 86 p 3

[Review by Kristian Gerner, Ph.D. and professor of history at the University of Lund, of two books: "Sovjetunionens utenrikspolitik. Geografi eller ideologi" [Foreign Policy of the Soviet Union. Geography or Ideology] and "Sovjetunionen og Norden. Konfrontasjon eller naboskap" [The Soviet Union and the Nordic Countries. Confrontation or Neighbors] by Jahn Otto Johannsen, Universitetsforlaget and Cappelen publishers respectively; first paragraph is SVENSKA DAGBLADET introduction]

[Text] The Norwegian writer Jahn Otto Johannsen belongs to the realistic school in his view on Soviet foreign policy. In a couple of recently published books he analyzes the strategy of the Soviet Union in relation to the Nordic countries. The uncertain cards are primarily Sweden and Denmark.

Norwegian journalist Jahn Otto Johannsen is a nimble-fingered and especially productive author of books about the Soviet Union and East Europe. Two of his latest works which are of current interest, "Sovjetunionens utenrikspolitik. Geografi eller ideologi" [Foreign Policy of the Soviet Union. Geography or Ideology] (Universitetsforlag) and "Sovietunionen og Norden. Konfrontasjon eller naboskap" [The Soviet Union and the Nordic Countries. Confrontation or Neighbors] (Cappelen), deal partly with Soviet foreign policy in general, and partly with that country's policy toward the Nordic countries. The latter book is of special interest as an equivalent partly to Russian Lev Voronkov's text "Non-nuclear Status to Northern Europe" (1984), partly to the Swedish diplomat Orjan Berner's book "Sovjet och Norden" [The Soviet Union and the Nordic Countries](1985).

In his view of the total Soviet foreign policy, Johannsen belongs to the realistic school. He believes that it is geographically conditioned, traditional Russian security needs which dictate Soviet policy. Neither is this policy homogeneous, claims Johannsen, but multidimensional.

In his book about the entire Soviet foreign policy, Johannsen builds mainly on western sovietology, and the book therefore gets the character of a compendium. The most interesting part of the book makes a comparison between Nixon's and Carter's policy toward the Soviet Union, since the reasoning discloses Johannsen's own view of what is central in Soviet foreign policy:

the feeling of inferiority, of less worth. He cited a statement from 1981 by the well-known Georgiy Arbatof in which he expressed indignation that many Americans speak patronizingly about Russians and deal with the Soviet state as "the bastards of history." Neither Carter (nor Reagan, during his first presidency) realized according to Johannsen the importance of such Russian feelings. On the other hand Nixon and Kissinger did, and Johannsen sees the relaxation of tensions during the early 1970's as a result of the Nixon regime's acceptance of the Soviet Union as a legitimate superpower comparable to the United States. This policy was also based on the demonstration that the Soviet Union was a fully committed state in a foreign policy sense, a status quo state.

Of course Johannsen maintains that he looks with loathing on the Soviet Union's war in Afghanistan, but his reasoning about geographically based security requirements and traditional Russian caution implies that it really was Carter's fault that the Soviet leaders decided on an invasion.Certainly we know nothing about the decision-making process itself immediately before the invasion, says Johannsen, but it is a fact that Carter did not clearly signal the United States position on the crisis in Afghanistan.

Johannsen refers to a conversation with the Soviet vice foreign minister Igor Zemskov, in which he complained about Carter's incalculability. The logic appears to be that if Carter was so unhappy with the Soviet action as his wheat export embargo and his Olympic Games boycott after the invasion indicated, he should have made his position clear to the Russians beforehand. The catch in the reasoning is that it assumes that Carter was expecting a Soviet invasion of Afghanistan. But probably Carter did not send any "clear signal" simply because he did not know that it was time to do so.

This example shows a certain tilt in Johannsen's analysis, an unconsciously apologetic line which he certainly is not alone in using, which indeed he shares with many more superficial debaters in this country. It is a tendency to explain and thereby defend Soviet aggression against other states as a result of an omission or failure by the Soviet Union's main opponents. It is noteworthy that one seldom sees the opposite reasoning applied to the United States. Johannsen and many with him appear to believe that it is the job of the United States to keep track of the Soviet Union. But if one views the issue in that way, one immediately recognizes the Soviet Union as the power-political equal of the United States. One denies the Soviet Union the responsible superpower status which its leaders so hotly desire and even guarantee that they have reached.

As to the Soviet Union and the Nordic countries, although he appears to believe that the Soviet leaders are cautious actors in the international arena, his geographical and traditional perspectives lead to grimmer conclusions than those found, for example, in the works of Orjan Berner. Johannsen says that the Nordic countries in their entirety are located in the Soviet Union's vicinity and for that reason are important for traditional Russian security reasons. Furthermore the development of the bases on the Kola Peninsula and the arming of the Soviet Fleet, together with the American countermeasures, has made the Scandinavian Peninsula a central front in the global standoff between the Soviet Union and the United States. On these

changes most who write on this subject are in agreement, but Johannsen draws more troublesome conclusions than certain others.

Supported by the analysis of Soviet actions, primarily submarine violationa, and statements by professional and thereby semiofficial Soviet commentators such as Voronkov, Bovin and Pavlov, Johannsen claims that the Soviet Union is striving for military/strategic control over the Nordic countries. Therefore the Soviet leaders seek a development which will weaken every individual Nordic country militarily, split them domestically and distance them from the United States, and they are actively working to realize these long range goals.

Johannsen devotes a special chapter to each of the five Nordic countries. Iceland falls somewhat out of the framework because Johannsen shows that the Russians accept that Iceland belongs to the United States' Atlantic vicinity more so than to the direct interests of the Soviet Union. Concerning the other four, he describes their relations with the Soviet Union as a tug of war in which the goal of the conflict is partly the international political status of the Nordic countries, and partly the right of the Soviet Union to observation and control over them.

As to Finland, Johannsen emphasizes correctly that "Finlandization" is not the result of Finnish concessions, but on the contrary it is an optimal solution for Finland and the Nordic countries. The western countries were not prepared to go to war for Finland's freedom after 1945, so the Finns had to resort to their own resources, their own political and diplomatic skill. Johannsen points out that for Finland it is an important foreign policy goal to have its neutrality recognized. The VSB Pact is certainly the basis for good relations with the Soviet neighbors, but the pact is not a declaration of neutrality. Kekkonen's foreign policy, with its emphasis on a Nordic nuclear weapon-free zone, is accordingly seen by Johannsen not as an accomodation to the Soviet Union, but as an expression of the struggle to make Finland an independent neutral political actor between the two blocs.

The policy of the Soviet Union toward Sweden is described by Johannsen as "brutal." He alludes to the submarine violations, and says that their aim is to get Sweden to realize the actual requirements of Soviet security interests in the Baltic. Johannsen also takes Lev Voronkov's Soviet criticism of Sweden's too "passive" neutrality seriously. He believes that the Swedish state leadership also does, despite assurances to the contrary. "When Prime Minister Palme made light of Voronkov's judgment, calling it private and not representative of the Soviet leadership, this was an expression of tactical cynicism. Palme knew better."

Voronkov criticizes Swedish neutrality policy for the effort to maintain the same distance to both superpowers. According to Voronkov it is the same thing as trying to remain neutral on the question of war (United States' goal) and peace (Soviet Union's goal), which by no means corresponds to Sweden's national interests. Voronkov, said Johannsen, also states that a strong Swedish defense does not favor a neutrality pleasing to the Soviet Union, but instead it is merely support for NATO.

Johannsen is careful to state that even though Palme often received praise in the Kremlin for his international political actions, the cynicism there is no less than Johannsen claims to have encountered in Rosenbad. The Soviet leaders knew that he was anticommunist. It was just instead of the nonsocialist opposition that those in Moscow preferred Palme, and also because he was a source of irritation for the Americans, said Johannsen. The tragic outcome of this development has brought this conclusion to Johannsen's judgment of Olof Palme's foreign policy role.

Johannsen sees Denmark as the country on which the Soviet leaders fasten their greatest hopes. A number of Soviet Scandinavian experts have spoken about the great possibilities which exist here for a policy more friendly to the Soviet Union. That involves supporting the "peace-loving" and "progressive," meaning the anti-NATO and anti-EC parts of Danish social democracy and neutralizing the "rightwing Social Democrats." Supported by his own observations as well as by actual western research, Johannsen claims that the actual goal of the Soviet Union is a neutral and militarily weak Denmark. According to Johannsen, Soviet hopes appear to be higher now than at any time during the past 10-15 years. There has been no slump in Soviet political activity in the form of sending out "peace delegations," and the distribution of propaganda material has recently been more extensive in Denmark than corresponding activity aimed at Norway.

As for Norway, Johannsen also sees here that the main Soviet goal is neutralization, but the hopes are not as great as in Denmark. The implications of the Treholt affair have forced Norwegian social democracy to be cautious in taking security policy positions. And when the Labor Party's vice chairman, Einar Forde, on the occasion of Andropov's death--one month after the Treholt disclosure--said that the deceased would not be missed it was hardly something intended to strengthen Soviet hopes for Norwegian social democracy.

So that is Johannsen's analysis of relations between the Soviet Union and the Nordic countries. Norway is the country which, beside Finland, is best succeeding in maintaining stable and respectful relations with the communist superpower. Norway stands as NATO's outpost in the north and Finland continues its tested line. Sweden and Denmark are the uncertain cards, or to put it another way, the two countries to which they can tie their special hopes in Moscow.

9287
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AUSTRIAN AUTHORITY REVIEWS NATO GROUND DEFENSE ALTERNATIVES

Bonn DAS PARLAMENT [AUS POLTIK UND ZEITGESCHICHTE supplement] in German 29 Mar 86 pp 26-38

[Article by Heinz Magenheimer: "The NATO Sector Central Europe and the Problem of "Non-threatening Defense"]

[Text] Heinz Magenheimer, Ph D, born 1943; studied history and art history at Vienna University; since 1972 member of the Institute for Strategic Basic Research at the National Defense Academy, Vienna; since 1977 editorial staff member of OESTERREICHISCHE MILITAERISCHE ZEITSCHRIFT.

Among his publications: The Defensive Battle at the Vistula, 1945, Frieburg i. Br. 1976; The Defense of Western Europe: Doctrine, Forces, Deployment Planning; Koblenz 1986; many articles on armed forces, deployment doctrine, security policy and history of war.

* * *

[Abstract]

Present NATO defense planning in the Central Europe Sector has in recent years been subject to considerable criticism, centering on the dependence upon resorting to the use of nuclear weapons and the effectiveness of "forward defense." While the advocates of current defense doctrine recommend improvements toward strengthening defense close to the border with gradual renunciation of tactical nuclear weapons, the advocates of "non-threatening defense" concentrate on two essential points: total "conventionalization" of defensive combat as well as re-equipping the Bundeswehr with defensive weapon systems and formations. This is designed also to provide a security policy stimulus toward the creation of trust vis-a-vis the Warsaw Pact.

Study of actual practice situation demonstrates however that in a tactical-operational sense various "models" are available which provide for attrition of motorized infantry in the forward area as well as for various types of counterstrike forces. On the one hand, numerous questions regarding the effectiveness of the delaying action of the motorized infantry facing enemy attack remain unresolved; on the other hand, the central problem must be addressed, on how enemy breakthrough can be prevented, i.e., how significant losses of territory can be recouped.

In the overall picture, all these concepts must be scrutinized to determine whether they increase present-day deterrence and whether they do not provide a stimulus for proportional offensive planning by the potential adversary. All other "models," which are primarily based upon the enormously increased impact of future defensive weapons, must take into consideration the great difficulties involved in procurement and re-equipment. Finally, it remains to be seen how other NATO states will react to the proposed conversion.

NATO's Central Europe Sector and the Question of "Non-threatening Defense"

Introduction

The debate on NATO counterarming had barely calmed down when almost without pause additional points of contention in the security policy debate surfaced, which once again questioned current NATO strategic doctrine and which created the concept of "non-threatening defense." The difficulty in gathering the facts consists primarily on the one hand of studying criticism of the NATO strategic doctrine as to the existence of specific counterproposals, and on the other hand to allocate these frequently diffuse proposals to the appropriate command level--tactics, operations, military strategy. Many misunderstandings resulted specifically from the inability to differentiate between these command levels and from the belief that tactical innovations could cause changes at the strategic level also.

In addition, it becomes clear that some of the "alternative" proposals remain strictly within the framework of a refinement of the existing NATO concept and cannot therefore be considered controversial. Finally, the question presents itself on whether "alternative defense" really represents one single school of thought (Footnote 1) (Herman Scheer, Fighting a School of Thought with Mottoes, in: EUROPAEISCHE WEHRKUNDE (1986) I, p 5.) or whether it constitutes instead a generic term for several schools of thought.

I. Present Defense Planning by NATO in Central Europe

The basically still valid strategic doctrine of "flexible response" of 15 January 1968 has been variously supplemented and refined during the last few years; however the principle of "forward defense" has been essentially maintained in force. The advocates as well as the adversaries of the present-day NATO deployment doctrine make the "forward defense" principle the centerpiece of their deliberations. This results mainly from the fact that practically all those involved in the discussion within NATO agree that a potential war between NATO and the Warsaw Pact in Central Europe should be fought with conventional weapons as far as possible and that "escalation aforethought" should either be renounced entirely or be considered a means of last resort.

If "escalation aforethought" is thought to mean "to stop an aggression through the threat or use of politically controlled increases of military weapons," (Footnote 2) (Ortwin Buchbinder/Hartmut Buehl/Heinrich Quaden, Dictionary of Security Policy, Herford 1985, p 92) many lines of thought fear that the mere threat of the use of nuclear weapons could lead to unimaginable consequences. Also, the feasibility of political control is subject to grave doubts. In explanation it has been stated tha the Soviet side, even though it would see advantages for itself in the longest possible duration of a conventional combat phase, would make a transition to nuclear preemption if the use of nuclear weapons by NATO were considered imminent. (Footnote 3) (Stephen M. Meyer, Soviet Theater Nuclear Forces, Part I, (Adelphi Paper No 187), London 1984, p 27) From that standpoint, the threat of using nuclear weapons on the part of NATO would appear most problematic. The dependence upon an early resort to nuclear weapons and overcoming that dependence thereby assumes the role of the lowest common denominator which serves as a meeting ground for advocates and adversaries of present NATO doctrine. (Footnote 4) (Bernard W. Rogers, A Credible Defense for NATO: Requirements and Goals of Security Policy in: Peter-Kurt Wuerzbach (Ed), Raising the Nuclear Threshold, Koblenz 1983, p 93; Karsten D. Vogt, Possibilities and Limits of Conventionalization, ibid., pp 71-80)

To the question of how long the NATO forces in the FRG in purely conventional warfare could mount a successful defense in border areas, there are answers ranging from "for only a limited time" to an estimate of a few days, such as approximately four days. (Footnote 5) (Eckart Afheldt, Defense Without Suicide, in: Carl Friedrich von Weizsaecker (Ed), The Practice of Non-Threatening Defense, Hameln 1984, p 49.) For this reason, the discussion is concentrated upon reflections on how effectively the forward defense would have to be implemented as to use of manpower, type of combat, choice of weapons, etc. so as to prevent a breakthrough in this area for as long as possible. This would at least gain valuable time for transferring the available operational reserves from the United States, Great Britain and Canada to Central Europe.

In conventional usage, "forward defense" means a tactical-operational combined defense near the border with the mission of losing as little territory as possible, and to offset losses of territory with counterattacks. In this, damage limitation constitutes an important political objective. However, forward defense does not contain a tactical principle, i.e., it imposes no limitations on the brigades and divisions as to their combat procedures and mobility. The depth of the border area battlefield (including the delaying zone) is limited to 40-60 km; thus the latitude of mobility for the major formations extends to the rear end of the division. (Footnote 6) (Christian Meyer-Plath, Forward Defense, in: TRUPPEN-PRAXIS (1985) 3, p 216.)

The mission of all eight allied corps would therefore have to be to arrest the attacks by the frontline Warsaw Pact armies and to use all available forces in this endeavor. Any additional loss of territory would impact the rear corps area and would therefore most probably effect an operational breakthrough by the enemy and therefore the collapse of the forward defense. Apart from defense against border area enemy forces, "forward defense" also includes attacking enemy forces in their rear areas, which raises a complementary aspect.

The effort to prevent decisive breakthroughs in front of the rear division line can be explained as resulting from the recently improved combat doctrine of the Soviet ground and air forces. Reinforced armored divisions, some of them designated as "operational maneuver groups," are to overwhelm advanced NATO troop positions in early surprise actions and try to rendezvous with airborne forces which have been deployed in an "aerial operation" for the purpose of neutralizing important terrain features. After the rendezvous with these forces the assault into the depth is to be continued with strong air support to complete the operational breakthrough. There are Soviet statements to the effect that while occupying the tactical defense zone (i.e., the brigade and division areas) the "operational maneuver groups" should, if possible avoid being drawn into major combat actions, so as to save their strength for the battle on the far side of that zone. (Footnote 7) (Many studies have been made concerning the "operational maneuver groups" and the Soviet attack concept; e.g., John G. Hines/Phillip A. Petersen, The Soviet Conventional Offensive in Europe, in: MILITARY REVIEW, April 1984, p 9 et seq)

Should the NATO units be unable to intercept the assault of those groups prior to their rendezvous with the airborne forces after their landing (e.g., air assault brigades), the Soviet offensive concept could be considered essentially successful. The defender thus adheres to the principle of preventing the adversary from deploying his forces at the very beginning of that effort.

Official starting procedures for improving the defense concept are centered on the FOFA concept ("follow-on-forces-attack"), also known as the "Rogers Plan," which must never be confused with the "AirLand Battle" combat doctrine. In simple terms, an effort is made to conduct the action conventionally from the beginning with long-range weapon systems--e.g., with guided missiles

and zone fire munitions--against the enemy forces in their depth, without however weakening the defense against enemy forces deployed near the border. Contrary to previous statements, maximum effort must be exerted toward attacking the first enemy assault waves, rather than those of the second strategic echelon. Thus priority would go to attacking Warsaw Pact units at a distance of from 30 to 150 km beyond the front line. At the same time, there must be a defense against the enemy's initial air offensive, which would probably be a massive one, and to keep the attacker from gaining air superiority. On this, it was admitted that the implementation of all planned procedures would depend on great financial expenditures as well as on a great number of organizational and technological conditions. (Footnote 8) (For greater detail, see: Strengthening Conventional Deterrence in Europe (Second Report of the European Security Study, ESECS II), Baden-Baden 1985, with detailed discussion; also: TRUPPENPRAXIS (1985) 3, p 219 ("Applied Yardsticks").)

II. Critical Objections--Discussion

Arguments doubting the efficacy of the present NATO doctrine concern primarily three problem areas:

a. Dependence upon early resort to nuclear weapon systems (battlefield weapons, possibly also medium-range weapons);

b. Danger of a relatively quick penetration by the attacker through the "forward defense" zone;

c. Great risk and cost in case of implementation of the FOFA concept.

1. Dependence Upon Early Resort to Nuclear Weapon Systems

As mentioned above, there is agreement among most advocates and opponents of current NATO doctrine that the dependence upon early use of nuclear weapons, especially of tactical nuclear weapons, should be dispensed with, since in extreme cases this could lead to self-deterrence. It is not clear, however, how and within what period this is to be done. On the NATO side there is the statement that this dependence can be reduced only to the extent that the "conventionalization" of weapons and operational doctrine is proceeding. Any premature declaration to the effect that any future war is to be fought in a conventional manner might produce the possibility that the Soviet leadership could count on a considerably better chance to not only start such a war conventionally, but also to bring it to a conventional end. (Footnote 9) (Bernard W. Rogers, NATO Strategy: Requirements for Credible Deterrence and for Intra-Alliance Cooperation;, in: EUROPA-ARCHIV, (1984) 13, p 390.)

In this context, total "denuclearization"--whatever that may mean--would increase the probability, i.e., the calculability of a purely conventional weapons engagement in Europe, since the superior attacker would have to orient his military calculations only toward the opposing conventional forces. Therefore, NATO feels, efforts to improve conventional weapons do not countermand the retention of nuclear weapons, since this would enhance the credibility

of deterrence from any type of war. It has however been stated that that nuclear battlefield weapons, e.g., nuclear-capable artillery, would not constitute an appropriate "first strike" weapon. (Footnote 10) (General Hans-Joachim Mack, interview in DER SPIEGEL, 8 October 1984, p 162.)

But the desired "conventionalization" has not found universal approval either, in line with such arguments that with the loss of the nuclear component a purely conventional conflict would become more probable, since the danger of nuclear escalation would for all intents and purposes be eliminated. Inasmuch as this type of warfare would also result in enormous damage in view of the effects of conventional weapons, which would be nearly as severe as those cause by limited nuclear operations, a new source of danger is visualized from "conventionalization."

The following can be said to counter this argument: "conventionalization" can serve for NATO only to increase the credibility of its overall strategy of deterrence, since in view of the relative size of forces in Central Europe it can think in terms of defense only. The 23 to 24 NATO divisions in the Central Europe sector (according to the MBFR reduction area) are still faced with 59 to 60 active Warsaw Pact divisions, even though they are manned to a lesser extent. The ratio of the most important weapon systems and combat aircraft amounts to between 1:2 and 1;3.4 against NATO. (Footnote 11) (Anthony Cordesman, The NATO Central Region and the Balance of Uncertainty in: ARMED FORCES JOURNAL INTERNATIONAL, July 1983 p 24.)

Even if we were to claim that the weapon systems and reconnaissance facilities to be introduced under the Rogers Plan will considerably increase NATO's fighting strength, it would still be inadequate for providing the superiority in manpower and materiel required for a successful offensive at an operational scale.

For the Soviet side on the other hand, a significant improvement of the conventional NATO forces would constitute a severe impairment of their own offensive thinking, which is based on quickly overrunning enemy troops in the border areas and on gaining military strategic objectives prior to the arrival of significant reinforcements from overseas. (Footnote 12) (Summarized in J.V. Braddock, Soviet Concepts for Ground and Air Forces, in: EUROPAEISCHE WEHRKUNDE, (1983) 3, p 122-127.) Extended stubborn resistance in the advanced defense zone would enable the NATO high command to mobilize many reserves and to bring in operational reinforcements from across the Atlantic. This would postpone a quick victory by the Warsaw Pact troops indefinitely. In addition, this would raise a number of political disadvantages in Eastern Central Europe, e.g., the question of the reliability of some allies.

2. The Danger of a Relatively Quick Breakthrough by the Attacker

The argument that the Warsaw Pact would be able to penetrate NATO's forward defense relatively quickly requires a listing of the conditions under which such a breakthrough would be possible. One of the difficulties consists of

identifying those Warsaw Pact options which are highly realistic and which also can be simulated with mathematical models. Another difficulty consists of establishing a relationship between the military force ratios and the choice of action (options) on both sides. (Footnote 13) (For greater detail, see: Gerhard Wettig, Military Options in Europe, in: Erhard Forndran/ Gerd Krell (Ed), Nuclear Arms in East-West Comparison, Baden-Baden 1984, p 141 et seq.)

With this premise, the option of a "standing attack," i.e., an attack with only a few hours preparation time, has little probability, even assuming an offensive by only those Warsaw Pact forces which are located in the GDR and the western part of the CSSR. Even those 35 to 37 divisions would require a minimum preparatory period: under normal conditions, the early warning time for NATO would be, according to a number of statements, approximately 48 hours. (Footnote 14) (See: interview with General Mack, "We can stand up under an attack," in: DER SPIEGEL, 8 Oct 1984, p 148; also: EUROPAEISCHE WEHRKUNDE (1982) 1, p 4.) This should be sufficient to take the most essential measures for initiating border area defensive operations and for mobilization. Even less convincing is the sometimes encountered statement to the effect that only the Soviet forces in the GDR and the units of the National People's Army would be capable of launching a "standing attack." (Footnote 15) (Paul Bracken, The NATO Defense Problem, in: ORBIS, Spring 1983, p 88.)

On the other hand, greater likelihood of success is imputed to an attack with a short preparation time (about 3 to 5 days), which would combine the surprise factor with relatively high strength. That kind of an offensive with the bulk of the first strategic echelon (about 48 to 50 divisions and army troops) and with the use of the greatest possible amount of airpower could gain the type of superiority which would enable the attacker to quickly penetrate the forward defense and to gain a decisive victory. However, in this case NATO would gain valuable time for preparing the defense areas, for extending mobilization and for transporting reserves from overseas. Nevertheless, this option appears to offer greater chances of success for the Warsaw Pact than do others. (Footnote 16) (Reports on this subject are in general agreement; e.g., Phillip A. Karber, In Defense of Forward Defense, in: The Front Line in Europe (ARMED FORCES JOURNAL INTERNATIONAL May 1984), p 40 et seq; also Anthony Cordesman (Footnote 11, p 34.)) (We will ignore here the option of an attack with a longer preparatory period, using the second strategic echelon and other reserves, since the chances of success are difficult to visualize.)

In addition to the foregoing, British authors have specifically emphasized the danger which might arise from a conceivable combination of surprise with strategic deception and masking (also known as "maskirovka"). Deception at the operational level would be particularly significant. (Footnote 17) (C.J. Dick, Overrunning NATO, in: INTERNATIONALE WEHR-REVUE (1986) 1, p 21 et seq.

With respect to the effectiveness of the forward defense for the first two options, the interesting factor is not so much the ratio of forces involved, but rather the time required for occupying and preparing the proposed border area defense zones. Most studies on this subject concentrate on considerations for these time requirements, as well as on any kind of obstacles to the forward movement (refugee problems!) and on implementing the mobilization effort. In other words: the value of forward defense is determined more by the "time" factor than by the "force" factor. The unfavorable disposition of some major formations, e.g., Belgian, Netherlands and British divisions, emphasizes the importance of the time factor with respect to deployment. As long as there is criticism of the forward defense, it should be applied to those aspects where weaknesses obviously exist!

Another argument against the effectiveness of forward defense appears serious also and is not downplayed officially either. It deals with the small number of reserves available to the operational command, be it for the prevention of breakthroughs, be it for the protection of the rear areas against airborne landings. Even if the 23 1/3 active divisions in Central Europe are considered adequate for occupying the prepared defense zones, the few reserves still available at corps and army group level constitute a central problem. Most of the "models" representing alternative schools of thought agree on this point. Let it be said, however that the NATO commands take this deficiency into consideration also, among other measures by stockpiling the equipment for U.S. divisions to be brought into Western Europe in time of need. (Footnote 18) (TRUPPENPRAXIS (1985) 3, p 219; White Paper 1985, On the Condition and Development of the Bundeswehr, Bonn 1985 p 116) This question will be discussed further.

3. High Risks and Costs of the FOFA Concept

Objections to the FOFA ("follow-on-forces-attack") concept originally focused on accusing NATO of embracing a new strategy; subsequently, they concentrated on isolating the technical and financial bottlenecks.

The statement that FOFA constitutes a new strategy is faulty if for no other reason than there is no change in the basically defensive attitude. NATO ground and air forces would, even after accomplishing all their missions, hardly be in a position to conduct an offensive on a broad front against the Warsaw Pact. The only thing the "Rogers Plan" seeks to accomplish is to prevent, or at least considerably delay, the entry of the enemy's deeply echeloned forces and other reserves to the battlefield. For this purpose, combat aircraft as well as many ground-to-ground missiles having various ranges and precision munition are to be supplied.

This however merely constitutes a refinement of the current combat procedure, inasmuch as combat aircraft had in the past important enemy targeting missions also, such as interdiction and counter air missions. The FOFA concept merely serves to extend the combat zone into the depth of enemy territory by introducing a third dimension. (Footnote 19) (Is NATO Turning Aggressive? in: WEHRTECHNIK (1985) 1, p 14; Hans-Henning von Sandrart: Where are the Alternatives? in: DEUTSCHES ALLGEMEINES SONNTAGSBLATT, 27 May 1984, p 7.)

Controversy was however generated by some statements made during the discussion of various scenarios to the effect that NATO should not be satisfied with defense alone, but that it should penetrate into enemy territory through counterattacks. This, claim the authors of those statements, would have a military as well as a political effect. (Footnote 20) (Samuel P. Huntington, Conventional Deterrence and Conventional Retaliation in Europe, in: INTERNATIONAL SECURITY, Winter 1983/84, p 42 et seq; Paul Bracken (Footnote 15) p 98, in similar form.) Statements of this nature have occasionally been cited as arguments in favor of the allegedly aggressive "Rogers Plan," without taking into account the actually existing strength ratios and options.

The weapons technology and financial requirements are however more difficult. In this respect, mention has been made on the one hand of the technical and control problems posed by the development of new precision weapons, on the other hand of their limitations caused by enemy reaction. Mention was made for instance of the fact that without adequate reconnaissance systems with "real-time transmission" any precision weapon would lose a great deal of its potential. In addition, it was said that various enemy electronic deception measures must be taken into account. (Footnote 21) (Steven L. Canby, Operational Limits for New Technologies, in: INTERNATIONAL WEHRREVUE (1985) 6, p 877-879.)

It is predicted that financial resources would become available only over the long term and with restrictions, with an estimated overall cost of $30 billion (at 1984 conversion rates). The costs for weapons to be used in defense against the first attack waves alone are said to be about $9 billion. (Footnote 22) (Strengthening Conventional Deterrence in Europe (ESECS II), p 136.) But inasmuch as NATO wants to make improvements in the conventional arsenal as a whole, competition is surfacing among a number of arms programs, which clearly indicate the limits of funding ability. At the moment it would make some sense that in view of the financial weaknesses of some individual member states procurement be limited to a few important items, e.g., the MLRS multiple missile launcher and the Patriot anti-aircraft weapon.

III. "Non-Threatening Defense:" A Tactical-Operational Solution?

1. Various Approaches

The critical objections described above have not only resulted in proposals for improving the presently accepted defense concept, but have in some cases shown a radical deviation from this concept, which eventually led to the demand for an exclusively "non-threatening" defense. "Non-threatening defense" can comprise those definitions which basically have two principal objectives:
-sole reliance upon a considerably improved conventional defense, so as to shed dependence upon tactical and Eurostrategic nuclear weapons;
-reorganizing and reequipping the armed forces to "defensive structures."

It is very difficult to comprehend all the details of the proposals made by the individual schools of thought or to filter out the commonalities among them. Their subject matter ranges from the establishment of an "area-covering" defense to the creation of a militia-type defense and reequipment with purely "defensive" weapons, all the way to total renunciation of nuclear weapons and to "social defense." (Footnote 23) (A useful summary is contained in: Specializing in Defensive Operations--Introduction and Source Materials (Research Panel SALSS), Bonn 1985. However, the discussion contains several misunderstandings which cannot be discussed here in detail.) What they all have in common is the belief that the deficiencies of the NATO doctrine can be dealt with only through a radical change, the most radical being the demand for abandoning all nuclear weapons or for organizing a civil resistance.

Other commonalities are in the area of "conventionalizing" with renunciation of "first use" of nuclear weapons and in using formations which are predominantly "incapable of offensive warfare." The latter intention includes the thought of stressing our side's peaceful intentions, so as to be able to point to our own initiatives in the course of political negotiations. This proposal in particular has met with heavy criticism, since its prerequisites would incorporate grave dangers, e.g., the establishment of a strength ratio unfavorable to NATO, which might never again be capable of correction.

Another element concerns the concept of "common security," which has also caused criticism. Its line of thinking is based on the objective that for the long term both military alliances should be dissolved and replaced by "common security." (Footnote 24) (This discussion contains the ideas of Dieter S. Lutz, Common Security--the New Concept, in: SICHERHEIT UND FRIEDEN (1985) 4, pp 201-214.) Its strategy of deterrence would be limited to the guarantee of a high "price of admission and sojourn," which the adversary would have to pay in case of an offensive.

On the other hand, any revenge or (nuclear) preemption is rejected. Efforts are to be made to establish a "structural inability to attack." Arms control should for the long term be oriented toward improving strategic stability and the above-mentioned "inability to attack." However, "common security" and neutrality would not be capable of combination. (Footnote 25) (Ibid, p 209.) In considering the various attempts to elevate neutrality to a security policy ideal pure and simple, this is a remarkable statement.

While recognizing the basic intention of these proposals, some objections are in order: present NATO doctrine is limited to defense only, with continued emphasis on efforts to strengthen conventional defensive capability so as to increase its deterrent effect. Revenge or (nuclear) preemption would hardly be an appropriate military means of arresting a conventional offensive. According to available documents and statements, possible use of nuclear weapons by NATO would be directed against military targets in the attacker's rear areas for the purpose of having military impact ("battle area use," "theater-wide use"). Besides, nuclear preemption by NATO would be

highly self-defeating in view of the Warsaw Pact's superiority in tactical-operational nuclear weapons. (Footnote 26) (The combat doctrine "AirLand Battle" is not concerned with the question of nuclear preemption either, but rather with the inclusion of nuclear use options into the conduct of operations (Klaus-Peter Stratmann, "AirLand Battle--Distortion and Reality", Science and Policy Foundation, Ebenhausen, September 1984, p 17.)

The "high price of admission and sojourn" would first have to be measured against its deterrent effect to the adversary's calculations, inasmuch as any new concept should be oriented toward its war prevention capability, (Footnote 27) (Dieter Farwick, "Flexible Reaction and Alternative Strategies" in: SOLDAT UND TECHNIK (1984) 4, p 164.) which is yet to be determined. "Structural inability to attack" would in the long run require such enormous limitations, that for the defender even tactical counterattacks or interdiction missions by fighter-bombers would be meaningless. Besides, it is obvious that not even experts dare to categorize weapons as offensive or defensive, since no weapon system must be judged out of context. In any case, such an "inability to attack" on the part of NATO would require a parallel effort on the Eastern side in order to cut down on its existing offensive potential and to create trust.

Finally we should mention the unresolved problem bearing on the fact that the concept of security bears entirely different connotations in East and West, resulting in great incompatibility in the objectives desired by both camps. (Footnote 28) (Alois Mertes, The Nature of the Soviet Threat, in: Rising the Nuclear Threshold, p 43/44; also: Alois Mertes, Maintaining the Peace--Fashioning the Peace, in: EUROPA-ARCHIV (1983) 7, p 189.)

2. "Area-Covering Defense," "Trap Defense," "Technotactics"

Most of the proposals described thus far sooner or later bring up the crucial question which no expert worthy of that designation can ignore: can Europe defend itself with conventional means? (Footnote 29) (Josef Joffe, Discontentment with Stability: Can Europe Defend Itself in a Conventional Manner? in: EUROPA-ARCHIV (1984) 18, pp 549-558. The basic assumption here is that in view of the ratio of forces in Central Europe, NATO could defend itself for only a short time and that after a few days it would therefore be faced with the alternatives of nuclear escalation or offering to capitulate. To circumvent this quandry, unofficial sources have come up with a number of "alternative models," only two of which will be presented here.

"Area defense," also called "area-covering defense" (by retired Major General Hans-Joachim Loeser) and "Trap defense" (by retired Brigadier General Eckart Afheldt), which title is to be considered merely a working title. Mention of other "models" will be made later. (The author realizes that this will not be a comprehensive presentation of all shadings of "non-threatening defense.")

a. "Area-Covering Defense"

Loeser's concept subdivides the operational area in the FRG into a "border defense," and "area defense" and a "home defense" zone. "Area-covering defense" desires a doubling of the conventional defense capability through "the use of new defensive technologies having high precision", use of the terrain and "establishment of reserve units attached to the active duty force." (Footnote 30) (Hans-Joachim Loeser, Forward Defense of the FRG? in: OESTERREICHISCHE MILITAERISCHE ZEITSCHRIFT (OeMZ) (1980) 2, p 121.) Every active unit is to establish a reserve unit, train it and prepare it in pre-designated defense sectors of a "deep network" for mobilization. The ratio between combat troops and support troops should start out to be 80:20 (changed in later statements by Loeser). Bundeswehr requirements for 1990 are stated to be 100 brigades, of which 36 are active, 36 cadre-strength and 28 reserve. In general terms, this provides for a "demechanization," even though in contrast to other "models," mechanized units are designated as assault forces for counterattacks. In contrast to other concepts the enemy is to be so heavily mauled already near the border in a "dense defense system" that he would be unable to cross the Weser-Lech line. According to more recent statements, the border area defense would be 40 to 60 km in depth. (Footnote 31) (Same author, Defensive Options of NATO for the 1990s, in OeMZ (1985) 6, p 529.) The latter statement comes remarkably close to coinciding with the concept of NATO forward defense!

b. "Trap Defense"

"Trap defense" is based on the defensive operations of a motorized infantry formation, to be newly constituted, inside a 70 to 100 km wide band ("trap") along the borders with the GDR and the CSSR. The idea is to wear down the attacker in harassment-type operations lasting several days, using numerous antitank missiles, simple artillery missiles, grenade launchers and barriers. The enemy is to be attacked immediately upon crossing the border and to be so strongly worn down throughout the entire depth of the "trap" that any enemy forces which succeed in breaking out of the trap then face the NATO operational reserves stationed immediately behind it, which then inflict ultimate defeat on them. (Footnote 32) (Eckart Afheldt (Footnote 5), p 51.)

This should result in gaining a delay of 4 to 7 days. The motorized infantry bears the brunt of this action; it is organized into platoons, companies, battalions and brigades. The proposal calls for 50 active motorized infantry brigades and 12 division headquarters; the reduction in peacetime manning of the mechanized divisions, corps troops and the territorial army should facilitate the establishment of the new motorized infantry formations. The motorized infantry troops are to be deployed in an extremely dispersed fashion, about 130 men for 50 to 80 km^2. The guiding principle for their operations must be to "underrun the aggressor's overwhelming firepower." (Footnote 33) (Ibid, p 56.)

c. "Technotactics"

To supplement the foregoing, let us cite the ideas for including missile artillery in the operations of the motorized infantry, as well as "technotactics." (Footnote 34) (Josef Goblirsch, A New Guideline for Defense: Technotactics, in: The Practice of Non-threatening Defense, p 121-165.) This concept describes those weapons-technolotical items which are devoted to "effect out of covered positions", e.g., missile launchers or multipurpose missiles with remote control. Apart from the "trap forces," mainly in the border areas, "assault forces" are to be deployed in the rear areas for the purpose of annihilating enemy forces which have broken through or have been airlanded.

Another alternative "model" deals with the defense using "fire barriers" (Norbert Hannig), which is to be based almost exclusively upon an enormously increased effect of defensive fire (principally using missile weapons and precision munitions) in the area of so-called "barrier and destruction zones" along the border. (Footnote 35) (Norbert Hannig, Deterrence by Conventional Weapons: The David-Goliath Principle, Berlin 1984, especially p 161 et seq.)

3. Objections and Counter-Arguments--Preliminary Results

Most commentaries agree that practically all deviations from "area-covering defense" figure a priori on a much greater loss of territory than is acceptable within the framework of the NATO doctrine. They repeat over and over that the shallow depth of the national territory will not permit any large-scale disengagement designed to wear down the aggressor for any length of time. (Footnote 36) (There are many statements of a smiliar nature, e.g., Richard K. Betts, Surprise Attack: Lessons for Defense Planning (The Brookings Institution), Washington, DC 1982, p 215.)

This, they continue, is out of the question, if for no other reason than that the defensive operation, which will extend over large parts of the national territory, would inflict unreasonably great damage and losses on the civilian population; wide-area counterattacks at the end of the wearing-down phase, as visualized by Loeser and Afheldt, amount to battles in the interior of the country for practical purposes, even with appropriate air operations! A presumed giving up of territory up to a depth of 100 km would expose such densely populated areas as Hanover, Frankfurt and Nuremberg to combat operations. (Footnote 37) (These arguments are essentially summarized in Heinz-Eberhard von Steinaecker, "On Area Defense" in: WEHRWISSENSCHAFTLICHE RUNDSCHAU, (1982) 1, p 1 et seq.)

Significantly, Loeser, in his most recent work, speaks of a border area defense with a depth of 40 km, in which the "first and second enemy echelons" were to be destroyed, with priority given to such border area defense. The FOFA concept too, he allows, has an important function in attacking enemy concentrations in depth. (Footnote 38) (Hans-Joachim Loeser (Footnote 31, p 530.)) Does this constitute significant changes to NATO defense planning?

As to the case of Loeser's "area-covering defense" it was shown that the personnel requirements for the army alone exceed the present personnel strength of the Bundeswehr of today: (Footnote 39) (Werner Lange, Alternative or Utopia? in: EUROPAEISCHE WEHRKUNDE (1983) 6, p 284; a discussion of Hans-Joachim Loeser's book Neither Red Nor Dead, Munich 1982.) 65 active duty brigades for the "shield forces" and 24 active brigades for the "sword forces", numbering a total of about 272,000 combat troops, not counting the support and supply troops, which at best would require again as many personnel as combat troops. The distribution of the area-covering forces would have to be relatively well-balanced, so as not to give the attacker an advantage by creating premature concentrations. Question: how are the motorized infantry forces to stand their ground in terrain which is favorable for tanks? Also, how should the calculated excess personnel requirements for the army be satisfied without considerably weakening the air force and navy? (Footnote 40) (Werner Lange (Footnote 29), p 284/285)

Another objection goes like this: What shape is the combat procedure of the motorized infantry to take so as to inflict the greatest possible losses upon the attacker? Inasmuch as the bulk of the forces fight in the infantry manner, i.e., without a deeply echeloned position system, the central question of protection arises. In view of the well-known superiority of the Warsaw Pact troops with respect to barrel artillery, multiple rocket launchers and helicopter gun ships, there is a high probability of encountering a comprehensive, withering, frequently area-covering fire in the main points of attack, sometimes in adjoining sectors also. How are the motorized infantry troops supposed to make use of their antitank weapons without suffering unacceptable losses in the process? The dispersal, which is recommended several times, while promoting survival, hardly constitutes a threat to the attacker. (Footnote 41) (Ibid., p 283; also, Dieter Farwick (Footnote 27), p 167.)

Afheldt's concept proposes a battle inside the "trap," which also extends throughout the length of the border, without differentiating between armor-friendly and armor-unfriendly terrain. Inasmuch as the proposed light infantry is not to fight out of emplacements and field fortifications, the only available form of comabt is harassment. This harassment will presumably hit the enemy in his sensitive spots, e.g., his movement routes. There is no explanation on just how this harassment is supposed to be conducted against those sensitive spots in armor-unfriendly terrain, which goes against all available combat experience. Should the intention be to conduct a defense out of many prepared emplacements, the motorized infantry forces are in danger of being reconnoitered early on and to be destroyed by massed fire, as would be the case in "area-covering defense." Additionally, such emplacements would have to be prepared in great depth and in large numbers already in peacetime, so as to be available as fallback positions.

Should one on the other hand limit oneself to harassment operations in the infantry territory only (which fails to address the question of defending the other sectors!), it is doubtful also whether the intended effect can be achieved, which is to involve so many enemy forces that the "overall strength ratio" (Footnote 42) (Echart Afheldt (Footnote 32), p 51.) undergoes a change.

If extreme dispersal is asked for--about two soldiers per km^2--and individual infantry platoons are to fight completely independent actions, any success by the motorized infantry forces would consist only in hindrance, but not in causing attrition of the following enemy echelons. In the dispersal mentioned above, an appropriate amount of time is required for preparation of the infantry platoons which must retreat immediately after their operation. The required "disappearance," while promoting survival, causes a loss of terrain. There are limits also to that disappearance, if the civilian population is not to be exposed to additional danger. Large-scale dispersal just cannot cause great attrition. (Footnote 43) (In greater detail: Gerhard Hubatschek, Defense Recipes from the Amateur Chef? in: KAMPFTRUPPEN/KAMPFUNTERSTUETZUNGS-TRUPPEN (1985) 6, p 287.)

By using the option of adequate saturation of the area with motorized infantry, one exposes it to being drawn into combat actions entailing heavy losses prior to accomplishing the desired results. It would appear highly probable that the attacker would use heavy assaults, using "operational maneuver groups" and air support, quickly to penetrate through the "trap" of the motorized infantry platoons. (Footnote 44) (Deiter Farwick (Footnote 27), p 167.) The attacker, from whom the new defense concept cannot be kept secret, would also make a transition to harassment action, perhaps by responding to assaults by infantry units with reinforced protection of sensitive spots or preventive mopping-up operations. The Warsaw Pact commanders too are well aware of the weaknesses of their own echeloning procedures and of their rear area services!

Place yourself in the position of the attacker who is faced with a defender who reports any engagement as quickly as possible, who does not let himself be drawn into any protracted resistance and whose mechanized units act merely as a "fire department," unless they are entirely absent, as is the case with several "models." (Footnote 45) (Ludwig Schulte, The "Non-threatening Defense Buzzword," in: EUROPAEISCHE WEHRKUNDE (1985) 9, p 475, with detailed discussion.) Even the variant in which the motorized infantry units launch guided missiles from secure emplacements and thus are less endangered has, apart from some advantages, the main disadvantage that it cannot provide an extended defense of important terrain sectors. Is it conceivable then that the motorized infantry unit operations would result in gaining the desired time delay of 4 to 7 days?

We should mention only in passing the great training requirements and the extraordinary stress imposed upon the infantry forces inside the "trap," which are left entirely to their own resources. Obvious also are the psychological disadvantages of deep enemy penetration.

Other schools of thought concerning "non-threatening defense" propose a mix of units fighting under static conditions and "fire department forces" with artillery missiles, resulting in a teaming up of simple and high-tech weapons. Some of the advocates of this type of defense even show an "almost euphoric commitment to modern weapons technology," (Footnote 46) (Ibid., p 475: see also Hermann Scheer's response in EUROPAEISCHE WEHRUNDE (1986) 1, p 5.) whereas others demonstrate a tendency toward simple, heavy armament.

Most of the advocates of "defensive reequipment" may claim the advantage of being able to save money by simplifying armament; however, it remains to be proven that armed forces of the future would be able to operate without any means of counterattacking (e.g., tanks) and without the air defense resources of present-day NATO forces (e.g., antiaircraft missiles, interceptor aircraft).

On the other hand, the advocates of the high-tech weapon system "models" must ask themselves how the additional cost of these developments are to be met and whether they would not be beset by the same problems as are the FOFA concept procurement plans.

All these reequipping proposals and most tactical-operational discussions usually ignore the fact that the Bundeswehr cannot proceed independently. Nor is independent action conceivable in operational planning, since this would have a decisive impact upon overall NATO planning. (Footnote 47) (Hans-Henning von Sandrart (Footnote 19) p 7.) All those "models" which feature an extended fight of attrition for the purpose of gaining time for bringing up and preparing reserves, must realize one thing: this gain of time also benefits the enemy for moving his second strategic echelon and other reserves on the ground and in the air, which would serve merely to postpone the decisive battle in the interior of the country with all its consequences. (Footnote 48) (This is compatible with the Soviet intention of being prepared to use a number of different options in a war in Europe, rather than depending solely on the advantages of a surprise attack. Nor should one believe that the Soviet leadership subscirbes to a "Blitzkrieg" concept (John Erickson, The Soviet View of Deterrence, in: SURVIVAL (1982) 6, p 246/47; Gerhard Wettig (Footnote 13), p 145/146.)

The objections to the two concepts which have been discussed in the foregoing in detail can be summarized as follows:
-danger of a large-area mission;
-inadequate delaying of enemy penetration, especially in high-concentration sectors;
-inadequate attention given to different battle conditions in armor-friendly versus armor-unfriendly terrain;
-great demands on combat morale and training level of motorized infantry forces in the attrition zone;
-danger of great destruction during the delaying action and counterattacks from rear areas;
-requirement of coordination with the alliance partners prior to initiating tactical-operational or armament innovations;
-psychological and political disadvantages resulting from abandonment of "forward defense."

The crucial problem for those alternative concepts which content themselves with hybrid forms (static, mobile) and with a weapons mix while limiting themselves to purely defensive options--without armored counterattack forces--is the following: how can an enemy who has broken through be not only sealed off, but also repelled? (Footnote 49) (This question relates to such publications as the report of the Study Group for Alternative Security Policy: (SAS), "Structural Changes in Defense," Opladen 1984, or "Civil Resistance and Autonomous Defense," by Hans-Heinrich Nolte/Wilhelm Nolte, Baden-Baden 1985.)

IV. The Search For Alternatives

If we start with the premise that it would be an advantage to give a higher priority to tactics than to technology, and that most of the problems deal with a decided improvement in conventional defense capability, we come across a few proposals which have not been accorded sufficient attention in the discussion thus far. First of all, there is the idea of establishing, already in peacetime, a well-thought out, deeply echeloned emplacement system in the border area. This has been proposed by such experts as Fritz Birnstiel and Hans-Heinrich Winckler. (Footnote 50) (Fritz Birnstiel, Forward Defense--The Centerpiece of Conventional NATO Defense, in: EUROPAEISCHE WEHRKUNDE (1980) 5, pp 213-218; Hans-Heinrich Winckler: Militia Barrier Brigades--Border Area Reserves for the Army, in: EUROPAEISCHE WEHRKUNDE (1982) 2.) But U.S. and British authors too have for some time emphasized the value of permanent fortifications and fortified zones in the border area and described their value as a "force multiplier." (Footnote 51) (John H. Maurer/Gordon H. McCormick, Surprise Attack and Conventional Defense in Europe, in: ORBIS, Spring 1983, p 120 et seq; Richard K. Betts (Footnote 36), p 226; John T.F. Tillson, The Forward Defense of Europe, in: MILITARY REVIEW (1981) 5, p 66 et seq; T. Cross, Forward Defense--A Time For Change, in: JOURNAL OF THE RUSI, June 1985, p 21.)

It is fully realized that, as shown in the history of warfare, this constitutes no guarantee of a prevention of breakthroughs, but that an important gain in combat capability and time can thereby be effected. What is involved basically is the establishment of a zone of varying depth containing field emplacements (strongholds, tank ditches, terrain elevations, other types of obstacles and barriers, emplacements for heavy weapons) which some authors think should extend along the entire border (Footnote 52) (T. Cross (Footnote 51), p 22.) and others think necessary only in important sectors. The depth is stated to range between 15 and 40 km, depending upon the terrain.

Birnstiel's proposal provides for the replacement of today's delaying zone with a "border barrier zone," which begins immediately behind the border, thus reducing the loss of territory to a minimum. Specially equipped and organized "border barrier brigades" are proposed for combat in this barrier zone; behind them mechanized or infantry-type teams (depending upon the terrain) would be in readiness for establishing defense concentration points in their defense sectors. Should the attacker break through the "border barrier zone," the subsequent defense would then be operative in the defense zones in conjunction with other operational reserves.

As a variant of the idea of manning barrier brigades predominantly with militia soldiers, other authors have emphasized the great demand which are made on such units and have therefore proposed a different structure for the barrier brigades. (Footnote 53) (E.G., H.W. Hofmann/K. Steiger, The Concept of Barrier Brigades, working paper of the Bundeswehr Military Academy, Munich, February 1984.) There is disagreement on the question of whether national corps sectors and their command authorities should be maintained

or not. However, the decisive feature is the fact that defense should be initiated as close to the border as possible and to make use of the advantages of natural obstacles and a deeply echeloned emplacement system for this purpose.

Many authors are in agreement that the inadequate infantry strength should be remedied and that the present armored infantry battalions would only be marginally effective in anti-armor defense. (Footnote 54) (Letter to the Editor from Carl Gero von Ilsemann in: EUROPAEISCHE WEHRKUNDE (1985) 11, p 584; KAMPFTRUPPEN/KAMPFUNTERSTUETZUNGSTRUPPEN (1986) 1, p 41 (Letter to the editor by Alfred Zaengerle).)

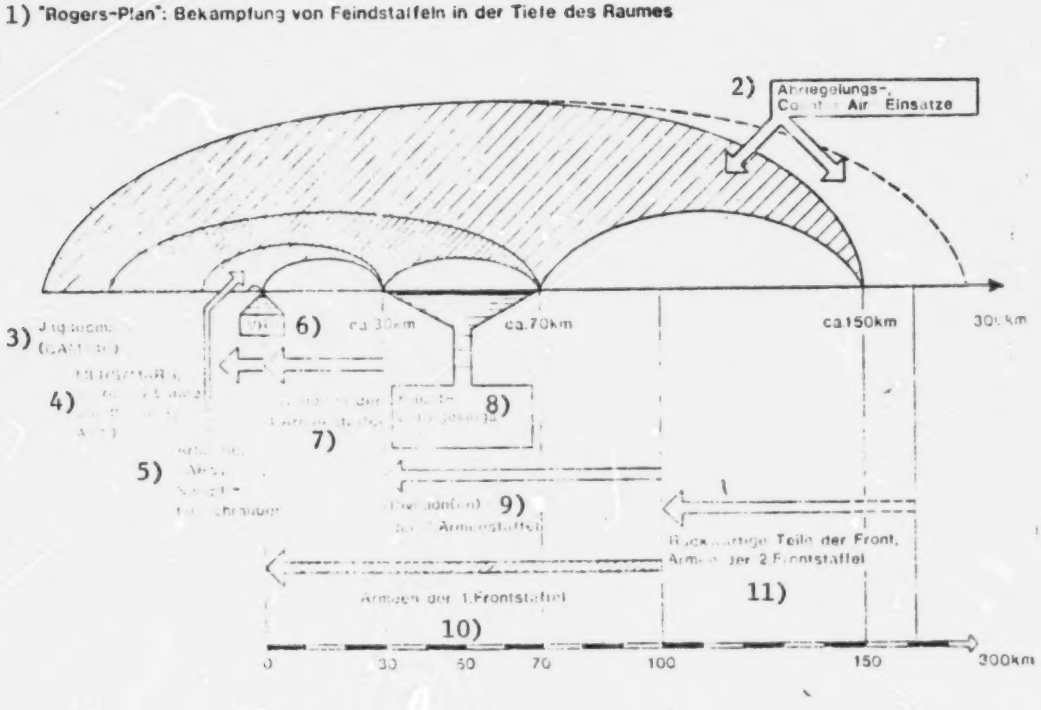
One frequently proposed alternative concerns resorting to the reservist potential, either by integrating them with active divisions or by establishing additional territorial army units. In addition, a forward stationing of certain parts of individual divisions into border areas could expedite the deployment; this is an idea on which the U.S. Army "Master Restationing Plan" is based.

Finally, some experts visualize a considerable strengthening of NATO by a timely relocation of "light" infantry divisions to Western Europe in times of peace or crisis. These divisions might be deployed--perhaps within the framework of forward defense--for the purpose of freeing armored units for use as reserves; they might be used also for the protection of rear areas or as operational reserves of the NATO Commander-in-Chief. Not the least of the advantages of using "light" infantry units would consist of demonstrating to the Warsaw Pact the defensive character of this type of reinforcement. (Footnote 55) (Robert B. Killebrew, NATO, Deterrence and Light Divisions, in: MILITARY REVIEW (1985) 5, p 2-15; David N. Petraeus, Light Infantry in Europe: Strategic Flexibility and Conventional Deterrence, in: MILITARY REVIEW (1984) 12, pp 35-55.)

The proposals which have been submitted thus include the establishment of fortified barrier zones in border areas; the gain of infantry-type reserves and the introduction of "light" infantry divisions from overseas. They all fit into the framework of "forward defense," even though the latter appears in need of improvement in some respects. (Footnote 56) (A good discussion of existing weaknesses plus a proposal for a defense concept which features the advantages of a barrier zone as well as the opportunities for fire impact in the depth of enemy formations, while at the same time taking mechanized NATO reserves into account, is offered by Jochen Denso, Skin Without a Core, Koblenz 1983, especially p 171 et seq.)

Admittedly, the advocates of "alternative" concepts may point to peace-promoting aspects of their respective proposals, e.g., to the credibility of purely defensive intentions by limiting themselves to "defensive structures" while renouncing nuclear weapons. However, the test of all these concepts concerns the question to what extent they improve the deterrent effect and to what extent they impact upon the strategic calculations of a potential agressor in terms of deterrence.

[p 31] Figure 1



Key:

1. The "Rogers Plan:" Engaging Enemy Echelons in the Depth of Their Territory
2. Interdiction and Counter Air Missions
3. Fighter-bomber (CAM-40)
4. MLRS/MARS, improved Lance fighter-bomber, A-10
5. Artillery, LARS, helicopter gunships
6. FEBA
7. Divisions of the first army echelon
8. Main interdiction zone
9. Division(s) of the second army echelon
10. Armies of the first front echelon
11. Rear portions of the front, army of the second front echelon.

9273/9738
CSO: 3620/647

WIDESPREAD OFFICER DISCONTENT OVER PERSONNEL MANAGEMENT

Bonn DIE WELT in German 27 Mar 86 p 3

[Article by Clemens Range: "The Defense Ministry Called--And Far Too Many Wanted Out"; first paragraph is DIE WELT introduction]

[Text] On 1 April, the Bundeswehr will start the early pensioning campaign. The first 175 of 1,200 officers are leaving the service prematurely. What the Ministry of Defense did not sense: Another 1,188 want to leave, yet they are not permitted to. There is so much displeasure among them that some are even suing the minister.

It was the spring of 1985 and the proposed legislation which would dissolve the utilization and promotion log jam and would thus "bring some draft to the chimney" was being heavily discussed in officer clubs. In the final analysis, the financial prospects were quite interesting: 70 percent of existing salary as a pension, plus a bonus of DM 40,000. Personnel offices passed the word: "First come, first served."

The lieutenant colonel of the class of 1935, who has been a soldier since 1956, was led to this step both by family and also by professional reasons. For 2 years, his application to be stationed near his ailing in-laws has remained without success. He hoped that, by leaving the service, he could now move to join his wife and children who were looking after the in-laws. Furthermore, he felt professionally frustrated. "For 13 years I have been a lieutenant colonel. I am among those who cannot be promoted anymore although throughout my service time I was always designated as one with unlimited potential and particularly worthy of promotion," he said.

Principal Motive: Frequent Transfers

The prospects of remaining another 6 years at this grade, persuaded him to look around in the economy. When his application was rejected for the first time, he already had an offer to take over as a representative of a firm.

For the tank major of the class of 1943, the principal motive for his premature departure from the service was the family. His wife is a teacher in a secure position which would have to be given up if he were transferred again or it would mean the family separation. His plan was to become independent as

a real estate consultant. His first application was returned with the remark that it was invalid, since the law for its basis was not yet in effect. When the law was then passed in August of 1985, the personnel office of the Bundeswehr addressed all troop officers of the classes of 1932 through 1944 and encouraged them to retire. Never in the 30-year history of the Bundeswehr was an official letter probably studied more carefully than this one. The tank brigade major--and with him some 2,387 officers--applied again for early retirement from the service. It did not take long before he was told that for the classes of 1943 and 1944 substantially fewer would be permitted to retire than during the other age classes and that was why his application was being denied. This was the experience of the majority of the applicants and only 1,080--another 120 positions are being held back by the Ministry of Defense--received the green light.

"I admit that the personnel officers are in a difficult situation," said a staff officer. But he said that the entire project "is not well-thought-through and is only halfheartedly being realized. One did not check what would happen if more should apply and what would happen to those whose applications were denied. Even the preparations were handled in a dilettante manner."

With the assistance of a representative question posed by the Munich Social Science Institute, the Ministry of Defense had attempted in the summer of 1984 to gain a picture as to how many professional officers were prepared to retire in order to make room for younger men. Barely 400 were said to have registered at that time and the ministry was afraid that it would not find a sufficient number of applicants.

The Applications Flood Came Around the Turn of the Year

When the first letter from the personnel office reached the soldiers in the summer of 1985 many at first held back because the planned evaluations for staff officers were pending and many a person feared that he would no longer be promotable as a potential applicant. And so, the flood of applicants which did not come in until the turn of the year 1985/1986 took Minister Woerner and his experts at the ministry completely by surprise. Then, attempts were made to rapidly compensate for the wrong situation evaluation with such formulations as "full success" and "expectations were more than fulfilled."

"The Bundeswehr leadership lost a unique opportunity to research motives which could also have been used to ascertain the attitude in the Officer Corps," said a Luftwaffe major.

The fact that the mood in the Officer Corps was not the best was attested to by the high number of applicants. According to a lieutenant colonel, when in some staffs as many as 30 percent of the personnel applied, roughly a third of all press and public affairs officers applied to retire, when from one office at the Ministry of Defense three highly qualified data processing experts want to retire, when an entire department applied as a unit, and even Minister Woerner's special deputy for personnel affairs himself is one of the applicants, "then something is not quite right here."

Even a Member of the General Staff Is Drawn Away

And, frequently, not the worst wish to retire. A majority of general staff and admiralty staff officers are also among those who would like to turn their back on the Bundeswehr.

The reason for the bad mood is, primarily, "the rigid scheme in training and utilization planning," according to a combat officer. A departing admiralty staff officer states: "Within the Bundeswehr, there is no personnel management present. There is only a personnel administration. And it has been unable in 30 years to utilize officers in a suitable form and with vision." Current transfer practices, one hears frequently, are said to be the reason for most officers wanting to hang up their gray uniform coats. Many also do not feel sufficiently challenged. Another motive is said to be that the Officer Corps was no longer as homogeneous as it had been at the time most applicants entered the service. Prior training, career paths, professional expectations, and personal interests among the officers who have or have not studied at advanced schools and those who have come up through the noncommissioned ranks are said to be far too different.

"What particularly angered me was that a lieutenant colonel who was subordinate to me and who was 1 year younger than I am and had almost the same career is pensioned and I am not," said a department head. Where is the logic, he asks, when the selection criteria state: "Utilization flows are generally more favorable the higher the utilization level is"? It is understandable that the superior officer of the departing lieutenant colonel complained and now intends to join in the class action filed by the Bundeswehr Association. Here, not only are the complaints mounting--as they are in the hands of the defense delegates and in the ministry--but now, with the aid of the association, frustrated "grandfathers," as Woerner has dubbed older troop officers, are trooping before the judge. The courts are to examine whether the selection out process is juridically pure.

If Necessary, All the Way to the Supreme Court

"We are prepared to go before the Supreme Court," states the chairman of the Bundeswehr Association, Rolf Wenzel. After all, this is a matter of a principle of equal treatment. However, he entertains little hope that the case can be won, because "the law is rubbery and the formulation 'action readiness must be maintained' can disqualify the arguments of all rejected applicants," is a fear expressed by one jurist.

What remains is a substantial potential number of those who are dissatisfied. "With the decision to retire, one is already automatically a step removed from one's career," says a general staff officer with regard to the situation. "To then turn around 180° is barely possible," says a company commander. Anyone who now--so to speak, against their will--remains in the Bundeswehr can hardly be the same person with respect to their motivation. In the rejection note from the chief of the personnel office, Lieutenant General Fanslau, things naturally sound quite different: "I am convinced that commitment and internal conviction will accompany your service in the future also. Naturally, your

employer will continue to honor his obligations to you; this is primarily true with regard to the obligation to care for you and afford you equal treatment."

A lieutenant colonel whose application was denied adds: "I do not consider myself cared for. No superior officer spoke with me about my application. The rejection letter was impersonal and consisted mainly of mere words. I consider that to be deficient consideration."

5911
CSO: 3620/636

FIRST TRAINING WITH U.S. MADE ITOW MISSILES REPORTED

Helsinki UUSI SUOMI in Finnish 23 Mar 86 p 21

[Article by Jukka Knuuti: "Antitank Defense in Real Time"; first paragraph is boldfaced lead-in in original]

[Text] The target is visible on the sight's hairline scale. Light infantryman Juhani Aikio, son of a reindeer keeper from the shore of Lake Inari, presses the button. A thundering sound is heard: the meterlong missile is hurled on its journey at a speed of 1,000 kilometers per hour dragging a tail of fire and unraveling from its entrails a copper cable. Along it, the reindeer keeper's son transmits orders to the missile, which explodes at its target.

This time the missile's hollow charge pierces just the pasteboard target at Rovajarvi. But it also would have made a hole in armored steel 80 centimeters thick. "It destroys the thickest armor of all the tanks on the market," says Major Seppo Hakala, advertising the weapon. Battalion officer of the Sodankyla light infantry brigade, Hakala has had exceptional training: missile courses in both the Soviet Union and the United States.

Finland has switched to real time in antitank defense. Our men who ward off tank assaults have practiced with their new weapons for a couple of years. The country's inviolability can no longer be assured without missiles. In a possible future war, the light infantrymen of Lapland would be compelled to halt an enemy who attacks under the shelter of steel. Battle tanks and--in their midst--infantry in armored personnel-transport vehicles would be in the vanguard. The importance of antitank defense on the battlefield has risen immeasurably since the last wars.

Missile's Price: $8,600

Yet Major General Tuomo Tuominen, the infantry inspector who by virtue of his position bears the greatest responsibility in this area, is satisfied: our antitank defense system works well. All the same, he admits that the missile the light infantryman fires is expensive. But when we see what the missile does, its price is placed in the proper perspective. It destroys the armored tank in which the invader has invested 10-20 million markkas. And, of course, it thereby prevents substantial damage to our own tanks.

And what was the price of antitank missile 83? The general does not tell. On the other hand, a reference work published in 1979 reveals that the price was $8,600. The firing device costs roughly 5 times that figure. The price of the American ITOW (Improved, Tube-launched, Optically-tracked, Wire-guided) missile has hardly fallen much since those days.

ITOW and its predecessor, TOW, are among the most frequently sold antitank missiles in the world. When the Finns signed the agreement to supply, the seller was able to confirm that it had sold altogether roughly 400,000 of the missiles to 29 countries.

The other armor-piercing missile used by light infantrymen, antitank missile 82 obtained from the Soviet Union, which is known by the name AT-4 Spigot in Western countries, is a considerably cheaper item. After all, its range is "only" 2,000 meters. According to Finnish data, the ITOW's maximum range is 3,500 meters, even though the manufacturer in his brochure promises a quarter of a kilometer more.

General Tuominen emphasizes that antitank defense is the system from which the missiles strike farthest away. They hit armored tanks from a greater distance than could the accurately used 125-millimeter cannons. That is why the infantry inspector does not subscribe to the old saying that the best defense against an armored tank is another armored tank. Maybe this is a slogan developed by members of military tank crews.

Missile Also Strikes in Dark

Darkness does not prevent the missile from hitting its target, any more than bad weather does. If someone is surprised when the antitank missile strikes, he can only wonder where it came from, says Major Hakala. He gives no further details on how the missile strikes successfully in the dark. But infrared light, light-reinforcement devices, and utilization of heat emanating from the target are generally known methods, among others.

Not just anyone is qualified to be a missileman. Out of the 300 conscripts in Sodankyla, 20 intelligent and resourceful but coolheaded men will be chosen through tests for training as shooters and group leaders. Just eight will finally become shooters, states Hakala.

According to Major Hakala, a missile shooter must be trained like a violinist. Not by slogging uninterruptedly for days on end but by taking it a little bit at a time over a long period. Before a light infantryman is allowed to shoot a "hard" missile, he has an enormous number of simulator shots in addition to other training behind him. Hankasalmi lumberjack and light infantryman Veli-Pekka Pynnonen, who pierced the target with antitank missile 82, estimated his number of simulator shots at 1,500-2,000.

Helicopters Looked Into

While Finnish light infantrymen rush to the spot in a motortruck or a Pasi armored personnel-transport vehicle and erect their firing apparatus, more and

more countries have transferred part of their antitank missile defense to helicopters. The most recent to have done this is Sweden, which has ordered 50 helicopters as shooting mounts for its ITOW missiles.

The matter is also being looked into here, says Major General Tuominen, but at the same time he confirms that no decisions have been made. We are also following the development of "smart" weapons in the world. The Americans, at least, are running experiments on field-artillery grenades which contain a cluster of "miniprojectiles" which are directed at armored vehicles as much as 20 kilometers away. Tuominen stresses, however, that these kinds of exotic novelties will not be ready for use until about 20 years after their debut, if then.

Ceramics in Armored Tanks

Every Finnish man who has been in the military since the 1950s is familiar with the light and the heavy bazooka. Or, as the conscripts call them, the heavy and the damned heavy bazooka, since there is no such thing as a light bazooka. Bazookas are still effective and form an important part of our antitank defense where the terrain restricts one to shooting short distances. The heavy bazooka's accuracy has been improved significantly by equipping the bazooka group with a laser rangefinder.

Like other antitank weapons, bazookas are being improved all the time. General Tuominen points out that there is a continuous race between armored tanks and antitank defense.

When the hollow charges acquired additional penetrative power, the builders of armored tanks responded to the challenge with stratified armor. Placed inside the armor plate are layers of a ceramic substance which curbs the destructive power of the hollow charge's molten metal spray. This is why, in addition to hollow charges, tail-heavy, arrow-shaped, alkaline charges made of special metal--charges against which the ceramic layers inside the armor are nothing but paper--are used by the armored tanks against each other.

Alongside light bazookas, nonreusable bazookas are also used to some degree. This kind of weapon is like the early armored fist during the last war. When it is fired once, the shooter is left with a useless empty tube which he can throw away. Additional nonreusable bazookas are being obtained. Preparations are proceeding nicely, says General Tuominen.

Piled-up Charge Still in Use

Antitank defense would not be complete if the artillery was not provided with hollow grenades and all sorts of antitank mines for use against enemy vehicles.

Alongside mines which are buried in the earth, which sever the tank's crawler track, or which puncture the tank's bottom, there are flank mines. Sappers place these quite advantageously priced defensive tools in the likely path of the tank's attack. And when such a package is exploded by electricity beside a vehicle, the fragments penetrate the thickest sides of armor. The side of no tank is even 100 millimeters thick, which the mine's 12-kilo explosive charge will pierce at a distance of up to 30 meters.

But what is the state of Molotov cocktails and piled-up charges, our early secret antitank weapons from the Winter War? Major General Tuominen smiles and says that even now men are trained to destroy paralyzed tanks with a piled-up charge. And Molotov cocktails seem to ignite vehicles easily, as we sometimes get to see on television news from around the world.

Birch cordwood, on the other hand, may have passed irretrievably into history. It is claimed that the placement of such wood between the crawler track and the wheels halted the advancement of many tanks during the Winter War, after which the men with piled-up charges and Molotov cocktails were able to take care of the rest.

12327
CSO: 3617/91

DETAILS ON LATEST ARMS PROCUREMENT PACKAGE FROM USSR

Helsinki UUSI SUOMI in Finnish 24 Mar 86 p 5

[Article by Jukka Knuuti: "Defense Forces Get Materiel--Tanks, Missiles--From Soviet Union for 2.2 Billion Markkas"; first paragraph is boldfaced lead-in in original]

[Text] The Soviet Union will supply the Defense Forces with materiel worth 2.2 billion markkas during the next 5-year period. During the final 5 years of the 1980s--christened the decade of the army--mostly antitank and antiaircraft materiel will be acquired, reports Lieutenant General Aimo Pajunen, an office head in the Defense Ministry.

Pajunen says that the modernization of armored tank equipment begun a few years ago will continue.

This may mean in practice that the armored forces will get more T-72 tanks in addition to those previously obtained. The T-72 is very modern. Its 125-millimeter cannon has an automatic loader, a laser rangefinder, and devices for operating in the dark. The tank can wade in water 5 meters deep, and it also has so-called stratified armor which withstands the most commonly used antitank projectiles better than mere steel.

The rest of the armored tank equipment may be MT-LB transport tanks and BMP-1 assault tanks. In addition to its crew, the former transports 11 infantrymen with their weapons, and the latter transports 8 men. The BMP also has a 73-millimeter cannon. The Defense Forces have presented these three tanks during recent exhibitions.

General Pajunen said that antitank missiles are also included in the acquisitions. The missile may be antitank missile 82, which is already used in Finland and which was introduced to the press for the first time last week.

Both missiles and cannons may be included in the antiaircraft materiel to be acquired. We already have in use both missiles employed by troops and shot from the shoulder and ground-to-air missiles shot at great heights to protect Helsinki. The missile shot from the shoulder is missile 78 in Finland. The so-called NATO name for it is SA-7 Strela. The ground-to-air missile is known by the name of missile 79 in Finland. Its NATO designation is SA-3 Goa.

According to Pajunen, the supply contracts now signed do not encompass the antiaircraft missiles which Lapland needs and which are currently not to be found at all in Finland.

The acquisitions also include smaller quantities of materiel for the naval and air forces, even though there are no new airplanes, for example, on the lists, according to Pajunen. The acquisitions are concentrated on the army's needs in accordance with the proposals of the third parliamentary defense commission.

12327
CSO: 3617/91

BRIEFS

NEW HELSINKI CLASS BOAT--Our fleet of missile-equipped boats was supplemented by another vessel when Wartsila's Helsinki shipyard delivered an OULU unit (construction number 468) on 1 October 1985. The primary armament is a Swedish-made missile battery. The missiles are RSB-15 sea-launched missiles (with the additional marking SF) modified for our use. At this writing, their installation has begun on just the first vessel of the series. The weapon is brand-new and provided with the most up-to-date technology. Compared with the famous Exocet missile, this has, among other things, a noticeably longer range. [Text] [Helsinki NAVIGATOR in Finnish No 3/86 p 15] 12327

BORDER GUARD GETTING BOATS--The light coastal patrol boat TIIRA was the first of the border guard's vessel-class acquisitions to arrive. The new structure 364 from Valmet's Ship Industry was finished on 1 November 1985. It is intended for the subaqueous and surface surveillance of Finland's territorial waters. Two vessels yet to be completed and the prototype vessel Lokki, which was obtained much earlier, will replace the superannuated patrol vessel series of the Koskelo class also built by Valmet. The vessel is made entirely of aluminum and reaches a speed of more than 25 knots. In comparison with the prototype vessel Lokki, which was acquired in 1981, the hull has now been made somewhat wider. An external change in the side profile is that the waste gases are now conducted into the smokestack instead of the rearview mirror. Technical data: construction number 364; maximum length 26.8 meters; width 5.5 meters; lateral height 3.0 meters; power 1,680 kilowatts; speed 25+ knots; crew 8; price 11.8 million markkas. [Text] [Helsinki NAVIGATOR in Finnish No 3/86 p 15] 12327

CSO: 3617/91

NEW ARMY TARGET-PRACTICE SYSTEM DESCRIBED

Lisbon DIARIO DE LISBOA in Portuguese 7 Mar 86 p 6

[Text] The Portuguese army is to be equipped with a laser-based firing simulator which will make a great saving in ammunition possible during training, as well as making tactical exercises for small units safer and more efficient.

This simulator, which is being perfected by the National Defense Industry (INDEP), with technical assistance from the LNETI and a private enterprise (EID), is more sophisticated than the similar apparatus being used in the NATO countries.

"The army decided on this more expensive and sophisticated system in order to enable our domestic industry to develop an advanced technology which would make it competitive on the international market with the export of the simulator," the ANOP was told by a general-staff spokesman.

The system consists basically of a low-power laser emitter placed on the weapon in alignment with the sight, and a series of detectors placed above the target. If the shot fired is a "hit," the laser beam reaches one of the detectors and activates a "beetle" which begins to emit a continuous signal. If the shot razes the soldier targeted but is not a hit, an intermittent signal is emitted.

An electronic scoring system makes it possible to establish very exactly which of the two "warring" forces suffered more casualties, and this makes the training of recruits and the checking of results more efficient.

In the training phase for firing weapons, a military technician emphasized to the ANOP, "each soldier can fire thousands of 'shots' without using a single bullet. The simulator does not do away with the use of real bullets in training entirely, but it avoids the waste of ammunition and provides greater efficiencyat lower cost."

To judge from the results obtained in other countries using target-practice simulators, this technician told the ANOP, the new system to be introduced before the end of this year may effect a saving of 30 to 40 percent on 7.62 caliber ammunition.

The annual consumption of such ammunition in training with the G-3 rifle and the HK-21 machine gun, currently comes totals 4 million cartridges.

"Later, when the use of the simulator is more widespread and the results have been assessed, we may effect an economy of 50 percent of the ammunition. However this will not be possible in the very first year," our informant said.

In an initial phase, plans call for the manufacture of about a hundred of these simulators, and they will be under centralized administration, being made available to the various units on a rotating basis accordance with a schedule still to be established.

In a later phase, the simulators will be mounted on the guns of combat vehicles and other heavy weaponry, such as mortars and antitank weapons.

"Since a grenade for a combat vehicle costs about 12 contos, the extent of the usefulness of the simulator in target training with these weapons is obvious," the general-staff source said, adding:

"On the other hand, the more limited the need for live ammunition in training, the lower the risk of accidents, both for soldiers and the civilian population of the zone itself, will be."

The economy in ammunition will be noted in particular in the training of special troops which, because of their particular characteristics, need intensive training, and may use as many as 5,000 cartridges per man in instinctive-firing practice.

Currently, the only possible economy measure where light weapons is concerned is reduction of the caliber used, with the cheaper 22-caliber cartridges being substituted for the normal ones.

"With the new simulator system, we will be able to offer training which is simultaneously safer, more profitable and more efficient, because with it we can link target-practice techniques with tactical considerations, and we will be able to assess the training level of the troops in the field under conditions similar to those of battle," this same source told the ANOP.

The ENE technicians have further emphasized that the laser beam used, because of its low power, does no damage to the human body, particularly vision, because the radiation emitted is in the infrared range and is invisible.

5157
CSO:3542/77

MILITARY BUDGET REDUCTION, BREAKDOWN ANALYZED

Lisbon TIEMPO in Portuguese 14 Mar 86 p 8

[Article by Gouveia de Albuquerque]

[Text] The year in progress will constitute a test of the capacity of the structures of the armed forces to reorganize, because of the strict budget the government has allocated for national defense. In fact, in terms of percentages, the portion of the state budget allocated to the armed forces is the smallest in 16 years.

As Table No 1 shows, a third of the state income was channeled to the armed forces in 1970. In 1986, national defense will account for only 6 percent of the state budget.

Analyzing this same table, we see that although in numerical terms the national defense budget shows ever higher values, which is understandable since it is necessary to keep pace with inflation, the importance of military expenditures as a part of the state budget has been ever smaller since 1970.

To justify this trend toward an increasing annual reduction in the weight of the military structure in state expenditures, it can be argued that the various governments have sought to reduce the machinery of the armed forces to a level acceptable for a poor nation which is not at war, as is the case with Portugal.

However, the statement that the Portuguese armed forces currently have a disproportionate structure in relation to the size of the country would be a dubious one.

If we examine Table No 2, we will see that Portugal falls within the group of European countries with the smallest percentage of military forces in relation to the population--0.6 percent. Greece, for example, with the same population as Portugal and a slightly higher standard of living, nonetheless has three times as many soldiers as our country. One cannot, then, regard the Portuguese armed forces as disproportionate to our national needs.

Where the Money Goes

The state budget for 1986, which the Assembly of the Republic will examine this month, allocates 1,600,000 contos to national defense. The largest slice will go to the army (40 percent), followed in order by the navy, the air force and the general staff of the armed forces. This distribution of funds to the various branches of the armed forces is substantially the same as in preceding years, since the military machinery of each is different.

Table No 3 shows that the greater part of the allocation for each branch of the armed forces goes to cover personnel costs (52.8 percent of the total). This category is followed by maintenance and operational expenditures, and finally, materiel and equipment. In other words, only a very small part of the military budget is allocated for the purchase of new defense equipment, or investment, since current expenditures, including personnel and maintenance, use up almost all of the budget.

A comparison with 1985 (again, see Table No 3) shows that the army and the air force will spend less money in 1986 on the purchase of new equipment than last year. The navy will be no exception to this rule, although the allocation is larger (6.7 as compared to 1.6 million contos). This is because this category includes a special sum of 5.1 million contos for the purchase of frigates from the FRG.

This is an aspect of our country's participation in an agreement by which the NATO countries will provide Portugal with military aid. In fact, Portugal is paying the equivalent of the price of one frigate but is receiving three. The other two naval vessels will be paid for by the FRG, the United States, the Netherlands, Luxembourg, etc.

The increase in the budget for this type of expenditures is, then, less than the rate of inflation foreseen for this year. The increase in expenditures on maintenance and operations is also lower, as a rule, than the 14 percent rate of inflation expected for 1986.

As to the third category, personnel costs, it can be seen that the budget is 15.3 percent higher than in 1985. However, since the increase in military pay came to 16.5 percent this year (as, moreover, did civil service salaries), the budget planned for this type of expenditure is inadequate as well, if the current structure is maintained.

This kind of national defense budget makes a strict reduction in all of the expenditures of the armed forces necessary. They will have to adopt a policy of optimizing the available resources and reorganizing structures. In truth, this will be a real test of the capacity of the armed forces, particularly since the expenditures which are obligatory and cannot be reduced (personnel, replacement parts, administration, etc.) play an ever more important role, because expenditures on investments (new equipment) are ever smaller. The imagination and the ingenuity of the armed forces in overcoming these difficulties will thus be put to the test.

From what this newspaper could learn, it was not easy for the government to decide on the national defense budget for 1986. Minister of Defense Leonardo Ribeiro de Almeida did everything possible to obtain a larger allocation. Minister of Finance Miguel Cadilhe went so far as to call a meeting with the military commanders for the purpose of explaining the situation to them. The military hierarchy saw, in the end, that although it is insufficient, this budget was the largest possible in view of the serious situation the country is experiencing.

According to these same sources, NATO has also indicated to the Portuguese authorities that it does understand this national defense budget, which will not allow for the modernization of the Portuguese armed forces. The fact is, other member nations of the Alliance are dealing with similar problems and have had to postpone the plans for modernizing and strengthening their military apparatus.

Table No 1

Development of the Defense Budget (ODN)

in Relation to the State Budget (OE)

(in millions of contos)

YEAR	OE	ODN	ODN AS % OF OE
1970	28 794	9 794	34.02
1971	32 049	10 756	33.56
1972	36 875	11 544	31.31
1973	43 596	11 888	27.27
1974	53 057	13 167	24.82
1975	75 378	17 132	22.73
1976	105 522	14 182	13.44
1977	159 173	17 864	11.22
1978	219 571	21 792	9.92
1979	283 395	27 896	9.84
1980	391 727	35 256	9.00
1981	490 016	44 081	9.00
1982	597 481	50 084	8.38
1983	772 520	58 245	7.53
1984	976 212	65 237	6.68
1985	1 320 578	85 500	6.50
1986	1 643 107	100 600	6.12

Table No 2

Military Troops as a % of the Population

COUNTRY	POPULATION	SOLDIERS	%
Israel	4 200 000	141 000	3,3
Libya	3 500 000	73 000	2,1
Greece	10 200 000	178 000	1,7
Bulgaria	9 000 000	147 300	1,6
Czechoslovakia	15 500 000	207 250	1,3
Turkey	48 600 000	602 000	1,2
GDR	16 900 000	172 000	1,0
Hungary	10 700 000	105 000	0,9
Egypt	47 200 000	460 000	0,9
Belgium	9 900 000	93 607	0,9
Romania	23 000 000	189 500	0,8
Poland	36 900 000	323 250	0,8
Sweden	8 400 000	65 650	0,8
Spain	38 800 000	330 000	0,8
Norway	4 100 000	36 785	0,8
FRG	61 400 000	495 000	0,8
France	54 600 000	471 350	0,8
Finland	4 800 000	36 500	0,7
Holland	14 400 000	103 267	0,7
Morocco	23 500 000	144 000	0,6
Algeria	21 700 000	130 000	0,6
Italy	58 000 000	375 100	0,6
Denmark	5 200 000	31 400	0,6
England	56 000 000	325 909	0,6
PORTUGAL	10 200 000	63 500	0,6

Table No 3

1986 and 1985 Defense Budgets

(in millions of contos)

(1985 values in parentheses)

CATEGORY	EMGFA	ARMY	NAVY	AIR FORCE
Personnel	2,0 (1,9)	32,4 (25,1)	16,1 (12,3)	12,5 (9,1)
Equipment Materials	0,7 (0,5)	3,7 (3,9)	6,7 (1,6)	2,3 (3,3)
Maintenance and Operations	2,7 (2,6)	5,3 (4,9)	6,9 (6,0)	8,7 (7,6)
TOTAL	5,4 (5,0)	41,4 (33,9)	29,7 (19,9)	23,5 (2,0)

5157
CSO:3542/77

EXPORT POTENTIAL SEEN FOR SAAB SEA TARGET MISSILE, ROBOT 15

Stockholm SVENSKA DAGBLADET in Swedish 1 Apr 86 p II

[Article by Erik Liden: "International Success for SAAB's New Coastal Missile"; first paragraph is SVENSKA DAGBLADET introduction]

[Text] SAAB has developed a new coastal missile which has attracted international attention. The Finnish defense forces will be the first customer in 1987 for the heavy coastal missile from SAAB Missiles in Linkoping at a cost of 300 million kronor. In 1988/89 the Swedish defense forces will buy the coastal missile at a cost of at least 400 million kronor.

A larger Swedish order in the 1990's will be worth a billion kronor if OB [Supreme Commander of the Swedish Armed Forces] Lennart Ljung has a hearing for his recommendation.

By this investment SAAB has won out over American missiles of the Harpoon-type, and is now investing in high-technology aircraft missiles with radar and IR guidance.

From the 1950's

The development of this surface target missile, Robot 15, which today is deployed aboard the Navy's 12 missile boats, will lead to an airborne attack missile for the JAS 39-Gripen and a land-based coastal missile. Today Sweden has a coastal missile battery from the 1950's in operation with a range of fully 8 land miles.

According to current OB plans, 2-6 coastal missile batteries will be part of the 1987 Defense Decision. Each missile costs at least one million kronor, so each shot must have perfect fire control from its ship, helicopter or land-based radar. Within the Navy the coastal missiles are competing with the new coastal corvettes which chief of naval operations Vice Admiral Bengt Schuback wants for antisubmarine warfare in addition to the six which have already been ordered at Karlskrona Shipyard.

In the 1982 Defense Decision the Riksdag decided that the Coast Artillery would have six amphibious battalions. These will include the light coastal missile Hellfire, combat boat 90 and amphibious vehicles. Prototypes of the

new combat boat are being built by Karlskrona Shipyard, Lunde Shipyard outside of Harnosand, Djupvik Shipyard in Bohuslan, one Finnish and possibly also one Norwegian shipyard. Procurement of 150 combat boats for nearly 500 million kronor will take place at the beginning of the 1990's.

Barter

The Norwegian interest is based on a possibility of barter for the 2,000 tracked vehicles which Norway purchased for 1.5 billion kronor from Hagglunds in Ornskoldsvik.

A defense decision between the Center Party's addition of 820 million kronor per year and the OB's own recommendation of an additional 1,800 million kronor per year creates the possibility for this purchase, either wholly or in part. An unchanged defense appropriation will cause the postponement of one or more projects.

Urgent

The coastal missile from SAAB will have a range of 10-12 [Swedish] miles, and is believed to be urgent in defense against invasion. The American Hellfire missile, which is being further developed by SAAB and Bofors has a range of only 6-8 kilometers and is intended for conflicts in the archipelago.

Previously Finland was not allowed to procure missiles under the terms of the Paris peace accords of 1947. This prohibition has now been softened. In 1984 Finland purchased Robot 15 from SAAB for fully 300 million kronor.

9287
CSO:3650/176

PSYCHOLOGICAL DEFENSE CHIEF URGES BALANCE IN FORCE PRIORITIES

Stockholm SVENSKA DAGBLADET in Swedish 25 Mar 86 p 3

[Op Ed Article by Sven O. Andersson, chairman of the National Psychological Defense Planning Committee: "Swedish Line Requires Credible Defense Policy"; first two paragraphs are SVENSKA DAGBLADET introduction]

[Text] It was necessary to decide to build the JAS fighter-bomber in order to maintain the credibility of Sweden's defense policy in the view of Sven O. Andersson, who charges that the Social Democratic hesitation with regard to the project created negative uncertainty.

Sven O. Andersson is chairman of the National Psychological Defense Planning Committee. He has been editor in chief of STOCKHOLMS-TIDNINGEN, among other things. Previous articles on this subject have been written by Sture Ericson (15 March), Carl Bildt (19 March) and Lennart Blom (21 March).

The striving for unity and consensus on foreign and defense policy that has been stressed by many people and has characterized the latest foreign policy debate in Riksdag does not mean that objective differences of opinion should be brushed aside or concealed under a cloak of conformist silence. The debate is the process that can enable us to arrive at the desired unanimity.

But the tone of the debate is also very important; the tone and the self-discipline of the participants in the debate. Thus it was with some surprise and a certain amount of sadness that I read Riksdag member Sture Ericson's article on this page (SVENSKA DAGBLADET, 15 March).

Not so much because his highly polemic article was published on the day of Olof Palme's funeral when the nation paused in a spirit of unity and reflection. The selection of the publication date must be regarded as an example of the debate editor's bizarre sense of humor or a crude insensitivity on the part of SVENSKA DAGBLADET's political editors.

No, the sadness was because Sture Ericson is so directly opposed not only in substance but also in tone and polemic method to the ambition that seems to have characterized the work of the Defense Committee lately.

It is true that the Conservative Party's leading spokesman on defense policy, Carl Bildt, can behave very provocatively in the debate. He did so, for example, in connection with the change in leadership of the Defense Committee and also wrote several articles in SVENSKA DAGBLADET which I disputed in my articles in OREBRO-KURIREN and GOTEBORGS-TIDNINGEN. And I can wonder about his motives, since at the same time Bildt claims to be working for a broad consensus on a new defense resolution on a higher level than we have achieved in recent defense resolutions.

Provocation

But that does not mean that one has to react to the provocation. And above all it should not lead anyone to continue the debate in the same or even more provocative terms.

Not even if one wants to prove, as Sture Ericson does, that our defense capacity has not been weakened, either in real terms or in relation to conditions in our region.

It is clear that Sture Ericson or anyone else who disagrees with me on defense policy can associate me with what Sture Ericson calls the "Conservative-military complex." And I am sure that Sture Ericson, who is quite knowledgeable and well-briefed on the material, can select figures and facts that I would have a hard time evaluating objectively from my perspective and with my more peripheral position in this context.

But I assume that the objective evaluation of Sture Ericson's statements and ideas will be made by the Defense Committee, where he sits as a representative of the Social Democratic Party. And it would surprise me if he emerged unscathed from this scrutiny.

It would also surprise me--and alarm me--to discover that Sture Ericson is representative of the assessments and views of the Social Democratic group on the committee or those of its chairman, Per Borg.

Traditional Policy

But I see no reason why I should stand aside politically. And I enter the debate, which does not affect me primarily in my present capacity, because I do not think that this matter should be discussed solely by Carl Bildt or by nonsocialist participants in the debate. There is another Social Democratic opinion besides the one presented here by Sture Ericson and someone ought to present it too.

And I feel that as I have done for many years in OREBRO-KURIREN and STOCKHOLMS-TIDNINGEN, I should present a traditional Social Democratic defense policy of the kind endorsed for decades after World War II by defense ministers like Torsten Nilsson and Sven Andersson.

This involves the traditional conclusion that the arms race between the superpowers and the drawing of rigid front lines in Europe and the rest of

the world between East and West require us to have a defense that is strong enough to make our declarations of neutrality credible in Moscow and Washington, so that Sweden can contribute to stability in northern Europe and minimize the risk of conflict on this section of the "front."

Our defense should also be strong enough to make it clear that a military attack on Sweden, no matter where it came from, would be such a tough military feat that the "opponent" would decide against it.

Thus it is good that Foreign Minister Sten Andersson is now scrapping the traditional ritual formula of "a strong defense in relation to our situation" and replacing it with what is really involved, namely "a strong defense."

Against this background I read with satisfaction the brief editorial in the latest issue of the Social Democratic publication TIDEN which stressed the traditional Social Democratic demand for a strong defense--one that is strong enough. Strong enough to carry out the immediate operational tasks involved in such areas as submarine defense as well as to lend credibility to our foreign policy and overlapping security policy.

The weakness in the TIDEN editorial lies in the periodical's fixation on the submarine violations and underwater defense.

Of course we need to reinforce submarine defense even if the reinforcement cannot be accomplished as quickly as a group of disgruntled naval commanders would like. Perhaps the present rate of reinforcement will be sufficient there too. That is something I am unable to determine.

But total credibility calls for a strong balanced defense, not just a strong submarine defense system and resources for effective sub-hunting efforts. And that is what should characterize the Defense Act that is now being prepared. Committee chairman Per Borg's remarks at the Central Organization of Salaried Employee's defense program at Foresta several weeks ago were worthwhile and heartening in this context. (But if one adds up the deficiencies he emphasized in the current military defense system, which is already strong in many ways, it is apparent that remedying them will not be cheap!)

For the credibility I am talking about here, I feel that such things as the decision to build the JAS fighter-bomber was extremely important--while the long Social Democratic hesitation on this created uncertainty. (Although now that we have the figures in front of us it does seem clear that it was a blessing that we abandoned the slipshod B3LA project which was started up for reasons that are debatable.)

This line of reasoning does not mean that one should automatically give the military everything it asks for. The funding level the supreme commander of the Armed Forces [OB] submitted to the Defense Committee seemed politicaly indefensible to me. This is true even if the military experts are able to prove that what they call the "gap" in development since the middle of the

1970's is as big as they claim. And it is quite natural that Lennart Ljung does not want to antagonize the chiefs of the defense branches a year before his departure by setting real priorities in this area.

Credibility in Jeopardy

Nor does it mean that the Social Democrats should capitulate to ultimatums on funding levels whether they are issued by the Conservatives, the Liberals or the Center Party. But it does mean that the Social Democrats should analyze the defense situation after years of what I feel were real cuts and a very severe process of internal rationalization on the part of the entire military establishment and this analysis must be carried out in such a way that its seriousness is apparent. It also means that the Defense Act that must be produced should not just be something the Social Democrats have been reluctantly forced to negotiate through because the others have already put their high cards on the table and we do not have an independent Riksdag majority.

Otherwise we run the risk of a very serious credibility crisis.

This is partly because the foreign policy line we have chosen with respect to the Soviet Union calls for this kind of credible Social Democratic defense policy.

Some of the dissatisfaction expressed and experienced by the sub-hunting commanders and other naval officers is based on the fact that they did not see a real interaction between a goal-oriented--Social Democratic--defense policy and a goal-oriented foreign policy.

And this is something that should be taken seriously.

Captain Hans von Hofsten and his articles are a different story, but it would take too long to expand on that here.

The bottom line for me is that a Defense Act that reverses the development of the last 15 years is objectively justified and important from the point of view of security policy.

That is what the TIDEN editorial is about. It is a refreshing signal of a more active point of view within the Social Democratic Party. But Sture Ericson's article, his line of argument and his polemic tone are disturbing in view of his position as a Social Democratic member of Riksdag and a defense analyst.

Social Democrat

I am writing this as a Social Democrat because politically I would like to see the Social Democrats take the offensive in shaping this defense policy instead of being forced against their will to offer one concession and compromise after another due to the fact that the party is unable to come up with the necessary parliamentary majority together with the Communists.

In addition if the government is to make its well-motivated foreign policy line on the Soviet Union credible and if it is to have the necessary freedom of action in such matters as the negotiations concerning Baltic Sea boundaries without antagonizing public opinion we must have a defense policy that is credible in the true sense of the word.

For me it is a meaningless semantic exercise to discuss whether foreign policy comes ahead of defense policy within the framework of our security policy--the important thing is that the well-motivated foreign policy line requires an active and offensive Social Democratic defense policy.

And I view the future with a certain amount of confidence. Even after Sture Ericson's article.

6578
CSO: 3650/179

NONSOCIALISTS ACT TO PREVENT FUNDS CUT

Stockholm SVENSKA DAGBLADET in Swedish 26 Mar 86 p 8

[Article by Erik Liden: "Nonsocialists Object to Defense Spending Cuts"]

[Text] All the nonsocialist parties on the Riksdag Defense Committee favor additional defense funding of 240 million kronor as early as this year.

This was evident from the fact that each party presented motions on the matter, as they did last year. Since the 1982 Defense Act was passed the Social Democrats have consistently cut defense spending limits by 240 million kronor in spite of the four-party agreement of March 1984.

According to the nonsocialist motions the money would be used to ensure that all the planned military refresher exercises are carried out. For the past few years the Navy has canceled refresher exercises.

More Exercises

Some of the proposals in the nonsocialist motions called for a higher level of preparedness in all branches of defense, better materiel, more exercises, more flight time and a general emphasis on better training. The Conservatives recommended giving the Army 110 million kronor and the Navy and the Air Force 65 million kronor apiece.

At the same time the Army's latest liquidity report showed a shortage of 235 million kronor, a result of increased benefits for conscripts and the induction of 1,500 conscripts in addition to the number originally called for in the 1985-86 budget year. Savings have been initiated and the Army leadership estimated that most of the shortage will have been offset by 1 July. For the time being the government is giving the Army extra price regulation funds, e.g. compensation for inflation.

6578
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RAIL INDUSTRY PROBLEMS, REORGANIZATION ASSESSED

Paris LE NOUVEL ECONOMISTE in French 14 Mar 86 p 59

[Article by Jean-Francois Jacquier]

[Text] Jeumont-Schneider, the second largest firm in the French railway equipment industry, is reportedly about to absorb Ateliers du Nord de la France [ANF] and De Dietrich, its remaining two partners in the consortium GIE Francorail. At least this is what Jean-Marie Metzler, the president and director general of the traction and mechanical division of JS, has said. Rather curiously, this report was denied by other leaders in this industrial group, who have confirmed that they continue "to support the GIE Group formula." The office of Edith Cresson, minister of foreign trade and industrial redeployment, has recognized that negotiations for a reorganization are under way and that "a redistribution of functions between JS, ANF, and De Dietrich will probably be essential."

Coming as it does on the eve of the French legislative elections, this confusion has again given rise to speculation on the future of the railway equipment industry. Some experts see in these developments the beginning of consideration of a broad restructuring program involving companies producing railway rolling stock. These are seen as the beginning of a new battle over the railroads, an economic sector which has been in crisis since the beginning of the 1980's and which, over the past 5 years, has already lost about 4,000 out of a total of 31,000 jobs.

The high speed train [TGV], the automated subway system, and the world railroad speed record--the railroad equipment industry is no longer thinking about its technological successes. French subway techniques have been adopted in Montreal, Mexico City, Santiago de Chile, Sao Paulo, Atlanta, Cairo, Caracas, San Francisco, and New York. In Africa, China, the Netherlands, Portugal, and Iraq thousands of locomotives and railway freight and passenger cars "made in France" are in daily use.

It makes no difference. In 1983 the French railway equipment industry declined from first to third place in the world, behind the United States and the Federal Republic of Germany. It had lost ground regularly since 1981, and its sales stagnated in 1985 at a level of 10.5 billion francs. The few large contracts signed over the past few months (300 locomotives for the People's Republic of China worth 2.6 billion francs and 95 coaches for the TGV

"Atlantique" train worth 7 billion francs) should not provide any grounds for illusions. These contracts, obtained by offering very low prices, made it just possible to avoid the worst. Furthermore, stable employment in 1985 was paid for by a drastic reduction in the hourly work week, which was set at 32 hours and even at 30 hours in certain factories. Unused productive capacity in the 70 companies engaged in the production of railway equipment whose output is being cut back is estimated at one-third of the potential capacity of the whole industry.

The explanation for the difficulties facing this more than 100 year old industry lies basically in the fragmented way in which it is structured. The SNCF [French National Railway Service] and the government have always kept two main railway equipment companies in business: Alsthom and Francorail. Alsthom, the leading company in France and in Europe, as well as the largest world exporter of railway equipment, which is 56.8 percent owned by the nationalized CGE company group, has total annual sales of 3.5 billion francs in the railway equipment sector. This firm, which led the way in the development of the TGV, is the stronger of the two. However, it would like to reduce the number of its workers in its factories in La Rochelle and in Raismes (Department of the Nord). Nevertheless, this proposal was rejected by the government.

ANF, De Dietrich, and Jeumont-Schneider, which were brought together under the Francorail joint venture arrangement, seem to be in a more vulnerable position. This consortium was created in 1972, particularly to negotiate sales abroad. It suffers from uncertain management, and its overall sales have reached a ceiling of about 3.2 billion francs. Now, to have a chance of surviving in the face of General Motors (in the United States), Siemens (in the Federal Republic of Germany), and Mitsui (in Japan), it would have to have overall sales of more than 4 billion francs, according to business specialists. This harsh reality is driving the industry toward further concentration. And developments in the market are making inevitable a more definite regrouping of French productive resources in this sector. French domestic markets are no longer large enough to keep the factories running. The RATP [Paris subway] and the SNCF have completed their equipment replacement programs. Competition is sharpening in the export market. In addition to strong competition, customers abroad are demanding additional concessions, the transfer of technology, and even investments in the development of their own railway equipment industries. The result is that many contracts are not profitable.

What's the solution? As in the case of the civil aviation industry, this involves the European market and the reorganization of productive forces in a real railroad consortium. The Northern European TGV project (scheduled for 1992) could speed things up. However, the condition for achieving this would be a solution to the "French" problem. Who will ultimately dare to tackle this problem head on?

5170
CSO: 3519/147

SOLLAC UNDERGOES ORGANIZATIONAL CHANGES

Paris LE NOUVEL ECONOMISTE in French 14 Mar 86 p 60

[Article by Claude Bunodiere]

[Text] After dealing with the problems of equipment and labor, working practices come next. At Sollac the idea has been floating in the air for 1 year: the best technicians in the world are perhaps not the best organized. The 1985 sales figures speeded up this process of reconsideration. With gross profits of only 5.5 percent, compared to 8 percent in 1984, whereas 12 percent gross profits are needed to cover all financial and amortization costs, Sollac ran up a 500 million franc loss which was included in the 5.1 billion franc loss announced by the Sacilor Group. Usinor is in the same position: the near balance expected between profit and loss on the sale of its sheet steel products in fact will turn out to be a loss of 400 million francs.

Self-Criticism

At Sollac the theme of the moment is self-criticism. Pierre Julien, secretary general of Sacilor admitted: "We have good products and a good market. However, we have not had good overall performance when other companies have done well. There is something wrong in our organizational setup."

The fresh look taken by Edmond Pachura, who came to Sollac in March 1985 from Renault Flins, is not a new element in this industrial examination of conscience. In the course of 1 year Pachura has raised some eyebrows. He concluded that the stock of raw materials on hand were too large and that there were too many production operations going on when demand was irregular. He brought in a process of checking quality at the end of the production line and not at every stage of production. He concluded that there were excessive stocks of finished goods on hand and too many people in the offices.

As Sollac's structure as a cooperative did not help in achieving results, the organization has just been changed. From now on Sollac will have control over all production and sales activities, while the establishment of Solmetal, the new, wholly owned subsidiary turning out sheet steel products will bring on the financial moment of truth. Regarding the excess number of employees, the boom has been lowered. Sollac will cut 1 700 jobs between now and 1988, in addition to the 1,100 jobs already scheduled to be eliminated.

Jullien explained: "We must lower the break even point to protect ourselves from market risks." Will the new investment of 700 million francs undertaken in January 1986 to provide for a "continuous mixed annealing" process be included in this policy of austerity? Sacilor swears that it will be. The government, as shareholder, is less convinced. Minister of Economy, Finance, and Budget Pierre Beregovoy said: "We have not agreed to anything, either in terms of reducing employment or investments." For its part the DIMME (Directorate of Metallurgical Industries and Mines) is concerned about both proposals. It considers that in 1985 it was agreed that Sacilor would have its sheet metal processed by Usinor, which has productive capacity available at Montataire and Marcyck.

This touches on an old argument. It wasn't yesterday, after all, that an investment program that would be "decisive for Lorraine" was approved, while at the same time a large number of jobs were eliminated. The idea which emerged in 1985 of combining the sheet steel produced by the two company groups was aimed precisely at avoiding this kind of confused discussion. However, Sacilor no longer wants to hear about it.

5170
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CHANGES IN ECONOMIC AID TO COMPANIES FORESEEN

Paris LE NOUVEL ECONOMISTE in French 28 Mar 86 pp 92-95

[Article by Jean-Claude Hazera: "Enterprises: Who To Provide Aid To?"]

[Text] Exchange bonuses and subsidies of all kinds against tax reduction... To eliminate aid to enterprises is the utopia of beginning governments. To keep it at the level that works would already be not all that bad.

For 150 years, the Bezault company has peacefully manufactured door handles at Longue-Jumelles (Maine-et-Loire), a municipality of 7,000 inhabitants to which it provides 400 jobs. In a recent book ("1986: The Trap," Albin Michel), the mayor of this small municipality -- who is none other than Mr. Edmond Alphandery, an economist who was reelected 2 weeks ago as deputy (Barrist) of the department -- proudly revealed that in France one out of every two door handles is manufactured in Longue. But lo and behold, in order to facilitate the reconversion of Lorraine, the government granted special privileges (DATAR [Delegation for Territorial Development and Regional Action] subsidies, one-third exemption of social payments for 3 years) to a new company in Villerupt which is said to produce two-thirds of the production of Bezault.

There are enough stories like this that the France of politics and of the employers largely supports the new motto: one must e-li-mi-nate aid to enterprises, and specifically the aid from DATAR on which all criticism is focused (see table). Apparently, there is no longer any choice. Even before the elections, experts from the RPR [Rally for the Republic] and the UDF [French Democratic Union] explained that 15 to 20 billion francs from the 40 to 50 billion they hope to economize in 1987 will come from that item. The opposition will have a hard time challenging that orientation as Mr. Laurent Fabius started negotiations in 1983 with the CNPF [National Council of French Employers] on "simplification of aid and reduction of costs."

Challenge no, but snicker yes. Because the negotiation did not produce anything, except for an interesting study. The employers' experts agreed to recognize 15 billion francs as real "aid" to enterprises, the lowest estimate to date. The highest estimate remains that of INSEE [National Institute of Statistics and Economic Studies]: 113.9 billion francs in 1982. Nobody ever counts the same things in terms of aid. The CNPF, for example, does not consider aid to exports as aid to enterprises, but as aid "to the economy."

Negotiations or not, when Mr Pierre Beregovoy arrived at the Ministry of Finance in July 1984 he hurried to make spectacular cuts in bonus credits. It was necessary to take advantage of the drop in rates to stop the growth of bonuses, which already cost the state 45 billion francs of a 1 trillion franc budget (including the very extensive aid to agriculture and housing). In constant francs, in 1986 loans at privileged rates should represent no more than two-thirds of those in 1984.

Why is nobody protesting? "It is a question of principle, a bet on the future; in exchange, we are expecting cost reductions," explained Mr Guy Brana, vice president of CNPF. His organization intervened discreetly only to request a few adjustments.

A question of principle or a question of era? In spite of the reduction of items, there is no lack of bonus credits for investments, because they have been set aside for the PME [Small and Medium Size Enterprises], they explained at the Credit National. And what about the big enterprises? Because the demand for credit is low, they are currently able to get short term credit from their banks at rates below the bonus credit. In addition, those most affected in the flesh are the establishments specializing in the distribution of those public benefits. Mr Jacques Mayoux, president of the Societe Generale, found a motto for them: "Don't touch my tap."

Will the new majority be able to pursue this relatively painless amputation process? The Ministry of the Budget will in any case continue to benefit from the decisions made by the previous government. But it is not significant.

Threshold

If the 200 existing kinds of aid have become entangled in an inextricable snarl, then 200 pruning proposals should be able to overcome them. In reality, not a single study that refined has been prepared by the opposition. The method is theoretically possible, but definitely painful. Thus, the report presented to the Economic and Social Council [CES] in February by Mr Jean-Pierre Aubert, president of CEPME, pinned fiscal aid to fuel and raw materials economies, which could be eliminated because they have not gone beyond a significant threshold (0.9 billion). The CNPF had noticed, for example, a "special loan provision granted to a wage earner who starts his own business" which had been applied twice in 4 years... Let us eliminate it. But small scale aid... makes small scale economies. The CES report stressed that in terms of tangle, 20 percent of the rather well known kinds of aid represent 80 percent of the expenditures.

Let us consider the 101 billion francs in "economic interventions" in the 1986 budget which the experts of the new majority discussed when they were in the opposition. Yet another way to count the "aid." It includes 16 billion francs in various aids to agriculture, 6 billion in construction bonuses, a good 30 billion in employment aid -- of which more than 22 billion is allocated to the National Employment Fund -- which in fact represents the social cost of the restructuring, 17 billion for the railroads, 12 billion for "loan costs of an economic nature," 7 billion for the coal mines, etcetera.

So far, Mr Alain Juppe, the new minister of the budget, who has been most specific about the new majority's intentions, has spoken primarily of raising public rates in order to reduce the cost of certain public expenditures. He is somewhat obsessed by the example of RATP [Independent Parisian Transport System]. But Mr Alphandery, applying this reasoning to the largest budget eater, the SNCF [French National Railroads], figured that to economize 3 billion francs it will be necessary to increase rates by 5 percent, close down quite a number of secondary lines, and eliminate 7,000 jobs. Good luck! Mr Juppe or his friends would certainly not give billions to La Chapelle-Darblay. But would they have refused 4 billion francs in bonus credits arranged in 1984 for Michelin, a notorious enemy of state intervention in its affairs, which needed it badly in order to pull through a bad time? Will the new majority be swifter than the old in closing coal mines or shipyards? Three days before the elections, Mr Juppe was explaining why it would be necessary to quickly enact budgetary extensions: "Without them, the Dunkirk shipyards will be closed before the end of the year."

Ideas which are likely to raise the hairs on the heads of the watchmen of the Commission in Brussels, the big monitor and destroyer of aid which, with the support of Germany, is determined progressively to reduce aid to shipbuilding as it has obtained the reduction of aid to the steel industry. Monitoring by the EEC, GATT or gentle competitors such as the American aeronautics industrialists, who worry about what Airbus might cost the European taxpayers, partly explains the fact that aid is often camouflaged. The truth is that all countries practice it in comparable proportions. According to the EEC, aid to enterprises represents 1.9 percent of the gross domestic product in France, 1.4 percent in the FRG, 2.3 percent in the very liberal United Kingdom and 1.7 percent in the United States. To eliminate it more rapidly than the others would be naive. Especially if it has a direct impact on the competitiveness of our products such as aid to exports and aid to research.

Finally, the only aid that could be and should be eliminated -- at least to finance what is created elsewhere -- is the dinosaurs, aid no longer adapted to the constraints and priorities of the moment. During a period when nominal tax rates were declining, Mr Beregovoy eliminated certain bonuses invented by Mr Jacques Delors at a time when the rates were the highest. Nothing is lost, everything is transformed.

With a major basic trend: aid through subsidies and bonuses became outmoded to the benefit of fiscal aid through tax reductions which, in 1983, according to the EEC, represented only 19.6 percent of all aid in France as against 47.9 percent in the United States, even though the finance bill compiled 150 "fiscal expenditures" to the benefit of enterprises. President Ronald Reagan's tax reform project tries to eliminate many of them and France is likely to follow belatedly a somewhat outmoded fashion. Although the supporters of this evolution, whether the CNPF or Mr Valery Giscard d'Estaing, are in favor of the most general tax reductions such as the research tax credit or the provision for establishment abroad.

FASHIONABLE AID

Nature of Aid	Trend	Conditions	Office
Repayable advances for research and innovation.	Innovation remains fashionable and ANVAR [National Research Development Agency] is undoubtedly the only government aid distributing body which could pride itself on being considered effective by everybody.	On a case by case basis, in function of the projects but also of the health of the enterprises which represent them. Response within 2 to 3 months.	ANVAR is decentralized into regional offices, but also through the intermediary of some banks, specifically CIC and BNP.
Research tax credit.	Probably the fiscal measure of the socialist legislature most appreciated in the enterprises.	50 percent of the growth of research spending from one year to another, with a ceiling of 5 million francs.	No preliminary authorization, hence no office, which represents all of its appeal.
LMBO or RES (see issue No 476 of LE NOUVEL ECONOMISTE: "How to Buy an Enterprise from your Employer?"	The transfer of enterprises is the most fashionable concern and will remain so in the future because the problem is real.	Submitted to the approval of the service of tax legislation, which greatly limits its development.	Specialized subsidiaries specifically of Credit National, CEPME, Paribas, Suez and BNP.
Loans to individuals who take over or establish enterprises.	SOFARIS, encouraged by the Department of Finance, has guaranteed as many of them in 1985 as during the 5 previous years.	Case by case. The personality of the person who is taking over or establishing the enterprise is, of course, determining.	More or less everybody and specifically the BNP and Credit National.
Regional Bonuses for the creation of enterprises and for employment.	With the 1982 decentralization law, the state has given the local communities power and money, which is not unanimously appreciated.	From 10,000 to 40,000 francs per job created, not to be cumulated with the regional development bonuses, that is to say state aid.	The regional councils which in 1983 distributed nearly half the aid of the local communities to enterprises.

FASHIONABLE AID (Continued)

Nature of Aid	Trend	Conditions	Office
Own funds.	The proliferation of specialized bodies indicates the scope of the fashion due to the exhaustion of the enterprises' capacity for indebtedness, but not necessarily that of the real available capital.	Present good prospects of profitability and of "output" for the investor.	The Institute for Industrial Development, regional development companies, regional participation institutes, common funds for risk bearing investments, etcetera.

OUTMODED AID

Nature of Aid	Trend	Conditions	Office
Regional Development bonus.	The idea that the state encourages enterprises to move from one location to another in the country is increasingly outmoded and criticized, and the ceiling for this budget is below 1 billion francs.	From 35,000 francs to 50,000 francs per job created in areas considered priority areas.	The regional council with the advice -- important -- of the commissioner of the Republic, and back to Paris, to DATAR, for the important files.
Loans to enterprises in trouble.	The sharp phase of restructuring is over. CIRI has fewer files and fewer FDES loans to distribute (0.5 billion). The "oxygen tank" and support to "lame ducks" are poorly thought of.	Only industrial enterprises and sometimes public works enterprises, have a right to those loans, which are among the last to be directly financed by the Ministry of the Budget.	CODEFI, at the general treasury, for enterprises of fewer than 250 people. CIRI in Paris, at the Ministry of Finance, for over 400 people; and CORI for in between, in the regions where it exists.

OUTMODED AID (Continued)

Nature of Aid	Trend	Conditions	Office
Bonus loans for investments at 9.25 percent.	The item dropped from 20 billion francs in 1984 to 12 billion in 1986 and as the rate did not follow the general tendency to decline, it is less and less interesting.	Henceforth the state reserves bonuses for enterprises of less than 1 billion francs in real capital and has renamed them bonus loans to PME's.	The traditional offices including Credit National and CEPME, but the banks also took some out this year in the amount of 2 billion francs.
Participation loans.	Participation government loans (CIDBE, CIFIA, CIACA) have been eliminated, as well as participation loans simplified for the PME's. Banks extend fewer of these.	Available to enterprises of less than 500 million francs in real capital in all sectors, these "quasi-own funds" are distributed at set rates on the order of 12.50 percent.	The banks, which are guaranteed by SAFARIS.
Export insurance.	Without once again questioning the principle of guarantees to the exporter, the state seeks to limit its risks and its costs for us.	More expensive rates, stronger franchises or stronger non-guaranteed quotas. Less protection for risky sectors such as construction and public works.	COFACE.
Bonus export credit.	The state takes advantage of the rate decline to economize by eliminating or limiting certain bonuses.	No more set and uniform rates.	The banks, which should in principle compete with one another and, in the last recourse, the BFCE.

To be able to benefit from a tax reduction, you have to make profits; hence, aid will be concentrated on enterprises which are healthy or in temporary difficulty at the expense of the "lame ducks."

Fiscal aid is appealing also because it eliminates any preliminary agreement and, of course, the files, the offices and the officials who go along with it. In a thick study of "subsidology," the art of the American style subsidy hunter, the Borloo business law firm amused itself with quoting in their entirety the 7 pages of conditions for the granting of regional aid to employment. The worst of it is that, according to the Ministry of Finance itself, "the oversight of commitments made by the enterprises is not equally ensured and the sanctions not always implemented."

Close the offices then? Then why has Mr Jean-Marie Rausch, president of the Lorraine region, with great pomp and ceremony just signed an agreement which multiplies them by transforming the banks of the region into procurers of deserving PME's? The truth is that a good office can do a great deal for a good PME. A first piece of aid may establish the credibility of an enterprise and release a cascade of other kinds of aid, noted the Borloo firm. While we are waiting for risk bearing capital or banks to become a standard of French life, it is useful.

To economize on aid to enterprises will be very difficult. To reserve them for those that are working or could be working would already not be all that bad.

8463
CSO: 3519/148

FIAT DENIES LIBYAN INTENTION TO SELL COMPANY SHARES

Rome LA REPUBBLICA in Italian 21 Mar 86 p 38

[Article by Salvatore Tropea: "Flat Denial by Corso Marconi, Libya Is Not Abandoning FIAT; Yesterday Rumors Were Circulated about al-Qadhdhafi Quitting the Company"]

[Text] Turin--Yesterday morning FIAT shares shot up to 11,200 lire, only to settle later at 10,950, though with a new substantial rise of 7.8 percent. Causing this umpteenth increase, in addition to the now customary trend of the market, were reports from London, cited in a dispatch in IL SOLE 24-ORE, that the Libyan partner was preparing to withdraw from the FIAT capital.

We did not have to wait for Corso Marconi's denial. FIAT categorically denied that the Libyans had sold their capital share in the group, and added that it was not aware that LAFICO (Libyan Arab Foreign Investment Company), the holder of the share, had any intention to transfer it. Before leaving for the United States, the director general of FIAT, Cesare Romiti, while entrusting to a spokesman the task of making the denial, made clear that the rumors from London or other more or less authoritative sources were without foundation.

In this situation, it turns out to be difficult to establish to what degree the reports from London reflected the truth, or, conversely, how much they were the product of not entirely disinterested operations, and seeking to give substance to illusions. According to financial circles in the city, the exit of Arab capital from FIAT has already been accomplished. The operation, prepared by the commercial bank Lazard Freres, which yesterday issued its own denial, with the cooperation of Gemina and International Holding FIAT, reportedly involves temporary assignment of shares to a holding company to subsequently be redistributed to new "friendly" partners of FIAT. The cost of this would be about 3 trillion lire.

The fact that FIAT intended to separate from its Libyan partner has been known for some time. It may be that it is succeeding in doing so. That the Libyans had intended to encourage this plan is questionable, however. And since in this kind of business for one to buy there has to be someone willing to sell, it is frankly not clear how there can be so much certainty on the part of those who maintain that an agreement in this respect could be announced in a few days.

Circles of the Libyan-Arab Foreign Bank, which originally held the shares in question before they were turned over to the LAFICO industrial holding company, do not seem to attach particular credence to these reports, and imply that the Libyans are today less than ever inclined to give up their FIAT share. This participation in FIAT has always represented for al-Qadhdhafi a kind of passport that gives him an authoritative presence in the capitalist countries of the West. And it is rather unlikely that he would want to get rid of them while the American fleet is cruising off Sidra.

Despite the failure of the wedding with Ford, FIAT continues to pursue a policy of international alliances that tends to favor the American participants. Negotiations are underway with British Ford for a joint FIAT-Ford company in the industrial vehicle sector. FIAT is continuing to negotiate with the French of Matra to establish a company in the field of components. Currently it is unlikely that the Libyans, who are the second partner in FIAT after the Agnelli family, would give up this opportunity to strengthen their presence in the West, even for a big fistful of dollars.

In March of 1977, the Libyan Arab Foreign Bank bought 20 million ordinary shares of FIAT and 10 million preferred shares at 6,000 lire each for a total of 180 billion (at that time the FIAT share was at 2,000 lire, and became 2,400 immediately after the transaction). In March of 1981, following a capital increase, the Libyan share rose to 57 million ordinary and 29 million preferred. With the big increase in 1984, to which they duly subscribed, the Libyans brought their participation to 205 million ordinary shares (15.19 percent) and 88 million preferred shares (13.08 percent).

This holding in the FIAT capital earned the Libyan partner in 1984 a profit of 32 billion (it will be higher in 1985). However, this is perhaps the less interesting aspect. The crux is something else: the current market value of the Arab share, which is now about 3.5 trillion. It is rather unlikely that the Libyans could find a higher-yielding investment, and even more improbable that FIAT has such a large sum of money to be able to redeem the share.

It is true that Gemina has on hand about 450 billion from Montedison to spend, and that according to the intentions of lawyer Agnelli it is to become the biggest Italian merchant bank. However, for the moment its financial capabilities are not such as to enable a solo attack on the al-Qadhdhafi stronghold. Yesterday, it was said that FIAT might be intending to quicken the pace and conclude the operation as soon as a share reached 12,000 lire. However, here, we are in the realm of conjecture. More plausible appears the strategy under which Agnelli and Romiti would commit themselves to finding the resources necessary for ousting the Libyans by mobilizing international funds. And we know that the American investors have showed a lively interest in the Corso Marconi group for some time. However, if this is the case, they will have to assemble a substantial nest egg, because al-Qadhdhafi will certainly include in the balance tray the overprice that he paid when FIAT was desperately in need of funds. And this means that the course is at the very least more complicated than one would have us believe.

9920
CSO: 3528/117

OECD REPORTS LARGEST TAX INCREASE AMONG WESTERN COUNTRIES

Rome LA REPUBBLICA in Italian 5 Mar 86 p 6

[Article: "Income Taxes a Record in Italy"]

[Text] Rome--Italy is the western country in which personal income taxes have risen the most in the last 20 years. Between 1965 and 1983, in fact, personal income-tax incidence in Italy has risen from 3 to 11 percent of gross domestic product, increasing to almost fourfold (by 266 percent). This information is contained in a voluminous report on personal income-tax systems in 24 OECD (Organization for Economic Cooperation and Development) countries, published in the past few days by the Organization.

From the rankings drawn up by OECD, it appears that, after Italy's the most consistent increase in personal income taxes as a proportion of gross domestic product (GDP) was recorded, with 200 percent, by Spain (from 2 to 6 percent of GDP), and by Ireland (from 4 to 12 percent). Italy, despite having registered the biggest percentage increase in personal income taxes as a proportion of the country's "wealth," is slightly below the OECD average (which is 12 percent). The only country to record a reduction over the past 20 years is Norway (from 13 to 12 percent of GDP), while the countries with highest proportion of personal income taxes are Denmark (24 percent), Sweden (20 percent) and New Zealand (19 percent).

The OECD report was compiled, as experts of the organization state, despite the fact that many countries (and among them Italy, with the Visentini decree-law, which is to be taken up by the government this very day) are preparing to revise their personal income-tax systems.

Although there has been a constant tendency toward increases in Italy (one percentage point of GDP more each year from 1979 until today), in the majority of western countries the personal income-tax "burden" on gross domestic product has remained stationary or has even been falling in the most recent years. The report, which analyzes country's fiscal system in detail, comparing them with one another, also looks into the weight that personal income taxes have within each of the various fiscal systems. From this comparison emerges the fact that, in Italy, personal income taxes represent 28 percent of tax revenues, a percentage below the average for OECD countries (which is 32 percent). The extremes range from 60 percent for New Zealand to 13 percent for Greece and France.

In regard to Italy, it is stated that "on the occasion of the debate on the government's decree on personal income taxes, the Liberals are asking Minister Visentini to pronounce himself in favor of the law to exempt profits reinvested in a business from tax." The request was drawn up by the PLI's economics spokesman, Beppe Facchetti, who states that this rule, "originally contained in the personal income-tax bill, has since disappeared from the corresponding decree."

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CSO: 3528/106

BRIEFS

STATISTICS ON SIZE OF ENTERPRISES--According to a study by "Marktest," 72 percent of the Portuguese enterprises employ less than 10 workers, whereas only 3 percent have more than 100 workers. In addition to that, 40 percent of the enterprises operating in continental Portugal are involved in "wholesale and retail trade, restaurants, and hotels," as against 25 percent in "processing industries," and 15 percent in "services." These data are contained in a study prepared by "Marktest," a market research enterprise; they are based on data taken from the personnel charts sent in to the Labor Ministry by the enterprises. All other activities account for less than 10 percent, each, and less than 20 percent, out of the total. A breakdown of employment figures shows that the vast majority of the enterprises, in other words, 72 percent, have less than 10 workers, whereas only 3 percent employ more than 100. With the exception of "electric power, gas, and water," the situation is identical for all activities and the share of the big enterprises ranges from 0 to 6 percent. The "processing industries" show the smallest share among small enterprises, with the same exception. [Text] [Lisbon O DIA in Portuguese 1 Apr 86 p 4] 5058

FIGURES SHOW RISE IN BUSINESSES--At the end of 1985, arou[illegible]00 companies were registered in Portugal, among whom 79,000 are new [illegible]ntrepreneurs, according to information supplied by the National Stati[illegible]es. According to that agency, there was an increase of around 15.1 [illegible] the number of registered companies compared to the year before. On the other hand, the number of registered associations went up from 161,698 to 182,708, in other words, about 21,000 new registrations, or an increase of more than 100 percent compared to the change of the year before. Out of the 750,000 outfits, 91.42 percent are operational, 1.23 percent are in the process of being established, and the remaining units are inactive, dissolved, or extinct. Among the 678,533 that were operational, 532,125 were entrepreneurs and 104 047 were commercial companies. The latter are divided into 607 companies with firm names, 2,312 corporations, 3 limited partnerships, and 101,125 stock companies. Out of the total number of entities registered, 49.7 percent are involved in wholesale and retail trade, 14.7 percent are in the processing industry, 11.3 percent are in construction and public works, and 11.1 percent are in services. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 4 Apr 86 p 4] 5058

CSO: 3542/82

BUSINESS LEADERS HOPE CARLSSON VISIT SPURS USSR CONTRACTS

Stockholm DAGENS NYHETER in Swedish 9 Apr 86 p 8

[Article by Kaa Eneberg: "Before the Moscow Visit--Swedish Firms Wagering on the Soviets"; first paragraph is DAGENS NYHETER introduction]

[Text] Prime Minister Ingvar Carlsson is going to Moscow next week with probably the largest representation that Swedish business has ever sent eastward.

Nine heads of major Swedish firms will accompany. They all have high hopes of new Soviet business and are well acquainted with Soviet leader Mikhail Gorbachov's speech to the recently completed 27th Party Congress.

Also accompanying will be Minister of Industry Thage G. Peterson and Under Secretary Carl Johan Aberg.

Their task as chairman and vice chairman respectively of the mixed Swedish-Soviet Trade Commission is to smooth the way for the trade which through the years has been impeded by, among other things, the high interest rates in Sweden. For example, it will be necessary to induce the Russians to extend the almost one-year-old ECU agreement which last year increased Sweden's competitive ability on the Soviet market and led to several large contracts.

Better Situation

Aberg pointed out, however, that even though an extension of the ECU agreement is important, the Swedish interest situation is not so favorable as it was when the agreement was concluded in May of last year.

At the office of Swedish Export Credit, Bo Marking, who is also going with the delegation, stressed the importance of a new agreement.

"As long as we could only offer kroner credits we could not do business with the Soviet Union."

Sverker Martin-Lof, managing director of Sunds Defibrator in Sundsvall has used the agreement to win two large projects worth a total of half a billion kroner, and he sees the extension of the agreement as absolutely necessary.

Otherwise he sees no point in going, said Martin-Lof.

The possibilities of increasing Soviet business are overshadowed, however, by sinking oil prices which experts believe must have an impact on the Russians' ability to really increase their industrial investment.

The Problem of Oil

The price of oil combined with reduced access to Russian oil and their increased costs of production are mentioned as problems by Per Skold. He is busily engaged in Soviet trade as the Swedish head of a subgroup of the mixed commission. In his capacity as chairman of SSSAB he also brings "thoughts and ideas" which he believes can be of interest to the Russians. SSSAB has few business dealings with the Soviets.

Skold does not consider those who anticipate writing contracts in Moscow as too optimistic.

"On the contrary, they are assigning great importance to writing contracts under these conditions. I think it would be strange if it did not result in contracts."

The heads of firms have had contacts with high Russian officials before the visit to Moscow, which is unusual. Visiting head of government Nikolay Ryzkov extended an invitation at Palme's funeral to the heads of firms to the Soviet Embassy for what was described as a "briefing" before the prime minister's visit.

Several of them say it is extremely valuable to get to accompany the prime minister. That gives the opportunity for contacts at the highest Soviet level, which is otherwise difficult to arrange.

The demand for reciprocal purchase--pure exchange of goods--has always been strong from the Soviet side, and the difficult economic situation is expected to increase the pressure. Per Skold believes, however, that there are new formats to discuss in Moscow "which are interesting for us and acceptable to the Russians."

Several heads of firms see business possibilities in Mikhail Gorbachov's explanation of his program in the speech to the Party Congress on the necessity of industrial modernization.

Alfa-Laval AB hopes to conclude an agreement for an additional dairy farm, and will participate in the modernization of the food production industry which is included in the new five-year plan, and which was especially mentioned by Gorbachov.

The firm recently concluded a contract for a large dairy farm in Moscow for 300 million kronor. Alfa-Laval has been a veteran on the Soviet market since the 1920's.

Soviet Veteran

Another veteran is A. Johnson Co. which was the first Swedish company to do business with the Soviet state. For decades the firm has discussed participating in and modernizing the cellulose factories which were delivered during the 1960's and 70's. Managing director Goran Ennerfelt sees the visit as a possibility for resuming the discussions.

Swedish shipyards have made offers to modernize the soda pans in the Russian cellulose industry and they are also considering plans to "place certain manufacturing in the Soviet Union." Furthermore there are plans to rebuild old ships at Cityvarvet in Gothenburg.

Sunds Defibrator, which among other things delivers machinery for the paper industry in the Soviet Union is hoping for Russian interest in improving old installations from an energy/economic and environmental standpoint.

"Theoretically they are of course far ahead and have of course for a long time had more environmentally friendly oxygen bleaching instead of chlorine bleaching," pointed out Managing Director Martin-Lof.

Managing Director Soren Gill, Procordia, hopes to be able to conclude negotiations involving different sections of the group of state companies. The same applies to the welding equipment company Esab, the managing director of which, Bengt Eskilson, hopes to write a contract for welding equipment for a factory in Gorki.

Also accompanying will be Sandvik AB's P-O Eriksson and Nobel Industries' Anders Carlberg.

The criterion for going with the group is to already have considerable business with the Soviet Union. All the heads of companies in Moscow will, however, have the assistance of other directors from their firms. They will be participants in a regular trade delegation of about 70 people which is being arranged by the Swedish Export Council.

9287
CSO:3650/176

ENERGY MINISTER DAHL ON NUCLEAR ENERGY, SOLAR POTENTIAL

Stockholm DAGENS NYHETER in Swedish 4 Apr 86 p 8

[Article by Ake Ekdahl: "Birgitta Dahl on Nuclear Power, Pollution and Rivers: 'We Can Accomplish the Three Goals'"; first paragraph is DAGENS NYHETER introduction]

[Text] "It is a defeat for traditional energy cooperation. But necessary for getting everyone to follow the rules of the game." That was how Minister of Energy Birgitta Dahl described her decision to propose a law in the spring which would prohibit new construction of nuclear power plants.

The decision was forced by the start of a project by Oskarshamn Kraftgrupp AB called project 04 which was interpreted as a preparation for their fourth nuclear power plant, the thirteenth in the country.

The new law will be a signal to nuclear power supporters as well as opponents about the government's serious intention to put an end to nuclear power in accordance with the referendum, said Dahl.

Get Angry

Both sides have accused the energy minister of lack of credibility, ability and desire to carry out the decision. This has made Dahl angry.

The minister of energy will not point out the circles within the industry who are conducting the campaign against the government's energy policy, but she calls them "yesterday's saints." It is the industry representatives with a direct profit interest in nuclear power who are continuing the campaign.

"They start from the false assumption that all nuclear powered electricity will be replaced by new electricity, and try to frighten people with the results when nuclear power is stopped. They claim that we cannot economize and save electrical energy, or that we have not been able to produce new domestic alternatives. Both are false," said Dahl.

She is satisfied with what has happened so far, and even maintains that the termination of nuclear power is easier to carry out than she herself thought when the decision was made.

At least half of today's electricity from nuclear power will be replaced by economizing and new heating and process technology. Dahl said that there is significant opportunity for savings. Among the new alternatives are the heat pump and domestic fuel, even before significant energy production. During the next few years she is especially hopeful of the introduction of natural gas in Malmo and Gothenburg, with possibilities for further expansion. The next alternative is solar energy.

Solar Panels

Excited by the newly formed Solar Energy Association, Dahl expects that simple and cheap solar panels will replace direct electric heat in many of the 450,000 small houses that were built in the 1960's and 70's and which will be ripe for renovation in 10 years. Solar energy will be a common everyday technique, she believes.

"Most people support the basic demands behind the referendum, to unify the demand for good environment, safe energy production and good economy and employment. Therefore everybody should welcome a new initiative in the energy area. But the damage from the days of the nuclear power conflict lives on, and blocks the thoughts of a few extremists," she said.

On Monday Dahl will have conversations with the environmental movement to discuss how they will proceed with the program for terminating nuclear power. A short time ago, when the government gave a go-ahead to Vattenfall to renovate the nuclear power plant Ringhalls 2 for 1.2 billion kronor, the friends of the environment broke out in a resounding protest, saying that now the energy minister had forfeited all credibility as one who would terminate nuclear power.

Expected to Close

Dahl now says that as national owner of Ringhalls she seriously considered closing the nuclear power plant. The intention would have been to give a signal to the environmental movement as well as the nuclear power advocates who are conducting the campaign against the referendum that the government is serious about its decision to terminate.

That would be the notification that the environmental movement is waiting for that termination is beginning.

"But that would have brought about a heavy increase in oil burning, which would have been damaging to the environment. Nor could we just say no to exchanging the turbines at Ringhals 2, because then it would have been operating under minimum safety conditions. Furthermore that would have lowered the general safety and radiation protection standards for the entire nuclear power program. Under no circumstances could I contribute to that. All these were facts which the environmental movement was not aware of," said Dahl.

She wants to bring about cooperation between the environmental movement and the labor movement about energy and the environment. When representatives of "yesterday's saints" criticize the energy minister for having chosen poor advisors, and point to her former line 3 colleague Peter Larsson, she says:

"I have purposely chosen my colleagues as I did because I feel greater communion with that part of Sweden and the environmental movement. The labor movement and the environmental movement must be able to cooperate in order to guarantee that the energy policy is carried out and that the environmental demands are fulfilled."

When VPK [Communist Left Party], Center Party and even the environmental movement criticize the Social Democrats and the government for lacking credibility in the termination policy, Dahl says that the termination process has already begun. It was begun when the socialist government took over in 1982 by building up alternatives which will make it possible to carry out the termination without straining the environment.

"We have good possibilities of carrying out all three goals: termination of nuclear power, stopping pollution and saving the rivers."

The energy minister is not entirely sure that they will accomplish all three goals at the same time, but the basic position is that for example the four major undisturbed rivers in the north will remain protected.

"I think it is within the realm of possibility to accomplish all three goals if everyone strives to help with economizing and new technology."

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